Interior Health

INTERIOR HEALTH AUTHORITY

HEALTH SERVICE REDESIGN PLAN SUMMARY

and

BUDGET MANAGEMENT PLAN

2002/2003 - 2004/2005

Prepared for
Ministries of Health Services and Health Planning

Components as Required Deliverables:

I. **Health Service Redesign Plan Summary**
II. **Budget Management Plan**

April 2002

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2002/2003 - 2004/2005

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2002/2003 - 2004/2005

EXECUTIVE SUMMARY

Introduction And Purpose

The purpose of this document is to provide the Ministry of Health Services and Ministry of Health Planning with a summary of the planned service redesign for the Interior Health Authority (Interior Health) for the period of 2002/2003 - 2004/2005, plus the concurrent budget management plan for these three fiscal years. The redesign is in alignment with provincial parameters, and outlines six strategic directions and the three goals prepared for planning purposes.

Budget Management Plan

The *Budget Management Plan* proposes a balanced annual operating budget for 2002/03 with total revenues of $1.07 billion, and total expenditures of $1.07 billion as follows:

2001/02 Budget	$ 982 m	($ 955 m operating and $27 m capital)
Inflationary costs (wage & non wage)	77 m	($116 m over 2 years or $137 m over 3 years)
Programs transferred from Ministry	15 m	
Restructuring costs (clinical & non clinical)	27 m	(one-time)
Redesign strategies	(59 m)	($81 m over 2 years or $105 m over 3 years)
Expanded services (clinical & infrastructure)	28 m	($45 m over 2 years or $48 m over 3 years)
2002/03 Operating Budget	$ 1,070 million	

Further information is provided in Appendices B through J. Appendix H includes Schedules A through E, and contains information regarding capital projects prepared as per Ministry specifications.

Major Initiatives

The major initiatives and changes to Interior Health services for 2002/03 – 2004/05 are summarized by the sectors of Acute Care, Continuing Care Community, Continuing Care Residential, Mental Health, Public and Preventive Health, Corporate Services, and Primary Health Care. The following lists the most complex initiatives for each sector, plus a summary of priorities for allocation of population-demographics-needs funding:

- Acute Care

  Redesign strategies of $ 43.23 million over the next 3 years.

  Implement the recommendations in the *Acute Care Centres: Initial Review of Roles* (hospital classifications, service guidelines, tertiary / "high secondary" program funding

process, bed adjustments, facility role conversions, bed closures, utilization targets, plus continue review of primary, "high secondary"/ tertiary care, consultation process for secondary care, telehealth initiatives (ie PACs, emergency medicine), continue reallocation to relieve cost pressures (ie pharmaceuticals, training initiatives) and continue to monitor performance targets).

Additional funding allocations totaling **$ 9.3 million**

$2.5 million	neuro, vascular, complex spinal and plastic surgery
$1.0 million	magnetic resonance imaging (MRI)
$2.5 million	prevent inpatient admissions for specific procedures (gastroenterology, diagnostics, day surgery)
$1.0 million	seasonal bed pressures
$2.3 million	transition fund to repatriate procedures to East Kootenay and Kootenay Boundary service area hospitals

- Continuing Care Community

Redesign strategies of $ 9.12 million over the next 3 years.
(Note: this total excludes $8.2 million that will be reinvested into Assisted Living Units, and the revised net total for redesign strategies is $0.92 million.)

Implement *Home and Community Care Redesign 2002/03-2004/05* (implement consistent standards for service delivery, improve client independence, provide and improve care alternatives for residential and acute care (ie Assisted Living), improve alternative housing, improve infrastructure including implementation of new assessment tool, continue with integration of health services, continue with reallocation to relieve cost pressures, and monitor performance targets).

Additional funding allocations totaling **$ 4.15 million**

$400,000	Community Support for Independent Living (CSIL) program
$3.75 million	to reduce admissions/lengths of stay for patients requiring alternative levels of care, palliative care, rehabilitation, and home care

- Continuing Care Residential

Redesign strategies of $ 27.2 million over the next 3 years.

Implement *Residential Bed Plan* component of *Home and Community Care Redesign 2002/03-2004/05* (focus care for high-needs clients, upgrade physical facilities, close facilities, utilize Licensed Practical Nurses within scope of practice, improve care alternatives for residential and acute care (ie Assisted Living units, adult day programs, activation units), continue reallocation to relieve cost pressures (ie pharmaceuticals and training initiatives), and monitor performance targets). $23.4 million applied to the 2002/03 transition-period as one-time funding, with these funds allocated to other priorities in 2003/04.

Additional funding allocations totaling **$ 16.1 million**

$5.1 million	additional funding for residential care facilities for increased acuity (for both amalgamated and non-amalgamated facilities)

$10.0 million Assisted Living, new facilities, palliative care, sub-acute care, and new bed placements (with 67% allocated in 2003/04 and 100% in 2004/05)
$1.0 million infrastructure (information technology, restructuring team)

- Mental Health Services

Redesign strategies of $ 2.99 million over the next 3 years.

Implement cost saving efficiencies, develop Mental Health Plan to assess and prioritize need including funding allocation as per performance agreement targets, build and open the 84 beds in Kamloops, determine allocation of the Riverview replacement units, and monitor performance targets.

Additional funding allocations totaling **$ 3.06 million**
$3.06 million allocation pending development of Mental Health Plan

- Public Health & Preventive Services

Redesign strategies of $ 1.22 million over the next 3 years

Implement cost saving efficiencies, provide lead roles in aboriginal health, communicable disease prevention, HIV/AIDS, population health, injury prevention, chronic disease prevention, primary health care, addictions services review, and safe drinking water, plus plan for funding allocation to target chronic disease prevention/health maintenance, for areas of cardiovascular disease, diabetes, and early childhood programs.

Additional funding allocations totaling **$ 675 thousand**
$675,000 early childhood programs, chronic disease prevention and management, and injury prevention.

- Corporate Services

Redesign strategies of $ 8.32 million over the next 3 years,
plus strategies listed for Public Private Partnerships (P3) in Year 3 of 21.29 million.

Streamline administration and support services while improving service delivery, accountability, quality assessment (including risk management), physical infrastructure, communication, and information management, plus continue to review and improve strategies for human resources especially retention and recruitment.

Additional funding allocations totaling **$ 4.43 million**
$4.43 million Ministry of Health Services Programs, leases, information technology, debt services, rural health and contingencies. Examples include
- $250,000 for Patient Advocates
- $1.0 million for computer replacements (pc rollover)

- Primary Health Care

  Continue focus on an integrated health service delivery model, plan for primary health care services to identify areas for expanded services as per need, participate in review and development of primary health care initiatives including telecare, plus emphasize health promotion, disease/injury prevention, and management of chronic disease.

  Additional funding allocations totaling **$ 750 thousand**
  $600,000 Rural Nurse educators
  $150,000 Telehealth initiatives

Appendix A summarizes the strategies identified for each sector with reference to the three goals, six strategic directions, and performance measurements.

Financial and Human Resources Implications

The financial year-end projections before and after application of the redesign strategies are:

	2002/03	2003/04	2004/05
Projected deficit prior to strategies	(51.57 m)	(80.26 m)	(104.85 m)
Total redesign strategies projected savings	58.81 m	80.58 m	105.17 m
Revised Projected surplus	7.24 m	0.32 m	0.32 m

(million=m)

The cumulative impact on the number of full time equivalent positions (FTEs) to be deleted for each fiscal year of the plan is detailed in Appendix B - H. The table below indicates the projection of FTEs to be reduced, and consequent savings, from the redesign strategies on an annualized basis. It should be noted that as these positions are deleted as per the Table below, it is anticipated that other new positions will be created both within Interior Health and through the award of contracts for services such as residential care.

2002/03		2003/04		2004/05		Annualized	
$	FTEs	$	FTEs	$	FTEs	$	FTEs
58.81 m	803.87	80.58 m	1136.36	105.17 m	1206.49	105.17 m	1206.49

Note: million=m
FTE and $ figures are cumulative to the final annualized amount by Year 3

Quality and Risk

Interior Health has prepared baseline performance indicators to assist in quantitative comparisons following the implementation of system redesign strategies. A risk assessment overview has been distributed to senior staff to prepare for managing potential risk. A variety of risk management strategies are planned and currently underway. Preliminary performance measures that are in alignment with provincial parameters are under development.

Regarding risk to budget, the more time that elapses before the public announcement of the redesign strategies, the greater the risk to not meet budget targets due to having to absorb more carrying costs. Additional risk factors include:

- Lack of consolidated business information and clinical indicators
- Varying caliber of pre-existing budgets
- Computer system changes simultaneous with restructuring changes
- Physician issues
- Managerial issues
- Ambulance Services issues
- Revenue issues
- Timing and volume pressures
- Organizational culture and morale issues
- Public perception and opinion

Implementation

The implementation of the recommendations in the *Interior Health Acute Care Centres: Initial Review of Roles* is planned for 90 days following public announcement. Implementation of changes to residential care can take up to 12 months. For this reason, the Residential Bed Plan component of the *Interior Health Home and Community Care Redesign* will be implemented over a 24 month period following public announcement.

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HEALTH SERVICE REDESIGN PLAN SUMMARY
AND BUDGET MANAGEMENT PLAN
2002/2003 - 2004/2005

PART A: INTRODUCTION AND PURPOSE

The purpose of this document is to provide the Ministry of Health Services and Ministry of Health Planning with a summary of the planned service redesign for the Interior Health Authority (Interior Health) for the period of 2002/2003 - 2004/2005, plus the concurrent budget management plan for these three fiscal years.

The redesign of Interior Health services is in alignment with provincial parameters:

BC Ministry of Health Services Goals and "New Era" Goals:

- *High quality patient-centred care*
- *Improved health and wellness for British Columbians*
- *A sustainable, affordable Public Health System*

Source: Ministry of Health Services 2002/03 – 2004/05 Service Plan Summary

BC Ministry of Health Services Strategic Shifts:

- *Better planning and management*
- *Meeting Patients real health needs*
- *Long-term sustainability*

Source: Ministry of Health Services 2002/03 – 2004/05 Service Plan Summary

This document has been prepared in response to the Ministry request as per *Submission of Health Service Redesign and Budget Management Plans 2002/03 – 2004/05* dated February 22, 2002. The document has been prepared in two sections, *Section I: Health Service Redesign Plan Summary* and *Section II: Budget Management Plan.*

Section I: Health Service Redesign Plan Summary includes information regarding major initiatives/changes, rationale, impacts of the plan, financial implications, human resource implications, standards, BC Ambulance requirements, barriers, areas of risk to the budget forecast, executive level savings/efficiencies, and implementation dates.

Section II: Budget Management Plan includes information regarding annual projections, balance sheet, redesign strategies summarized by geographic area and by sector, cash flow projections and equity projections. In addition, capital asset funding details have been provided. More detailed information can be supplied upon request.

This document is respectfully submitted to the Ministry of Health Services and Ministry of Health Planning.

PART B: STRATEGIC DIRECTIONS AND GOALS

Six **strategic directions** that support the delivery of quality population and health care services have been identified by Interior Health:

- To focus on the **clients/patients** served by Interior Health in order to provide desired benefits in a cost effective manner. Descriptors of this strategic direction include communication, confidentiality, partnership, community development, respect, care, and **outcomes**.

- To focus on the long term **sustainability** and financial **accountability** for health service delivery including the efficient management of resources. Descriptors of this strategic direction include efficiency and affordability.

- To be responsive in anticipating and responding to changes in the real needs of clients, population groups, and the environment. Descriptors of the strategic direction of **responsiveness** include **accessibility**, availability, timeliness, continuity, and equity.

- To focus on the **system competency** in order to provide desired benefits in a cost effective manner, and to determine effective alternative ways to deliver health services. Descriptors for the strategic direction of system competency include appropriateness, competence, effectiveness, safety, legitimacy, efficiency, and system alignment.

- To provide a multi-focus strategic approach for **human resources** including employees, physicians and volunteers. Descriptors include safety, well-being, learning environment, and open communication.

- To focus on the provision of **information** to assist in the effective delivery of health services and to support overall health. Descriptors include planning, communication, confidentiality, community involvement, indicators and evaluation.

Three high level **goals** that support the delivery of quality population and health care services have been utilized for initial planning purposes. These goals, which support the strategic directions above, are as follows:

- *To support and improve health and wellness for the population of Interior Health as per the Provincial Health Goals.*

- *To offer a comprehensive range of population and personal health services that balance health needs with quality and sustainability.*

- *To provide the necessary infrastructure and support required to deliver health services, and to evaluate the desired benefits.*

SECTION I: HEALTH SERVICE REDESIGN PLAN SUMMARY

1.0 MAJOR INITIATIVES AND CHANGES

As the Ministries of Health Services and Health Planning are aware, the creation of the Interior Health Authority brought a large number of diverse health service organizations and agencies together. This merger of entities, both large and small, has meant that service redesign has been approached in various ways; some approaches are comprehensive, some apply to Health Service Areas, some apply to service sectors, and some apply only to specific communities.

Major initiatives and changes relating to the provision of quality health services in a fiscally responsible manner are summarized within this section. The seven sectors of Acute Care, Continuing Care Community, Continuing Care Residential, Mental Health, Public Health Services, Corporate, and Primary Health Care are included.

Key for Tables

For the tables which follow, the ✓ **symbol** indicates the linkage of a service redesign strategy to a specific Ministry-designated heading, and the **$ symbol** indicates the financial link of a particular service redesign strategy to *Section II: Budget Management Plan*. Each table includes the Ministry-selected categories of:

- Revenue generation,
- Administration and support efficiencies (non-clinical),
- Best practices (clinical),
- Program adjustments/closures (clinical) including facility role conversions, and
- Utilization targets by sector.

Many initiatives cross into several categories which is why the $ symbol was selected to reflect the link to the operating budget plan.

1.1 Acute Care Services

Table 1 below summarizes the major initiatives and changes currently planned for the delivery of acute care services for 2002/03 – 2003/04 within Interior Health. The next stages for the acute care role review will develop recommendations for implementation up to and during 2004/05.

Table 1.1.1: Major Initiatives and Changes Planned
Acute care Services

	Revenue	Efficiency	Practice	Program Adjust'ts	Targets
Interior Health Acute Care Role Review (classification system, guidelines, program consolidation, bed adjustments, facility role conversions, facility closures & utilization targets) (please also refer to Tables 2 through 5 below)		✓	✓	✓ $	✓
Utilization targets are: • Urban LHA: 475 days/1000 population • Rural close: LHA 525 days/1000 population • Rural remote: LHA 575 days/1000 population					✓
Review models of service delivery for: • Diagnostic & Treatment Centres • Level 1 Community Hospitals • Tertiary / high secondary acute care services • Patient referrals going outside Interior Health • Collaborate to develop emergency guidelines • Collaborate to develop measures for surgical & procedural services		✓	✓	✓	
Increase and standardize revenues (fee structures, room differentials, office/clinic rentals, out-of country patients)	✓ $				
Reduce, restructure & consolidate non-unionized management/administrative positions		✓ $			
Reduce, restructure, & consolidate clerical positions		✓ $			
Restructure and reconfigure diagnostic services (radiology plus specific outpatient procedures)	✓	✓	✓ $	✓	
Restructure laboratory services		✓	✓ $	✓	
Increase use of "point of care" devices		✓	✓ $		
Restructure clinical support services (transcription services)		✓	✓ $		
Restructure and reconfigure delivery of support services (food, housekeeping, laundry, maintenance services)		✓ $	✓		
Implement improvements in attendance management, classifications, scheduling, & booking relief		✓ $			

	Revenue	Efficiency	Practice	Program Adjust'ts	Targets
Provide telehealth initiates such as PACs (Thompson Cariboo Health Service Area), tele-psychiatry, emergency medicine (Cranbrook), and Health Links.		✓	✓		
Focus on delivery of acute care service delivery within acute care centres: • Transfer outpatient rehabilitation therapy to private sector (with exceptions) • Transfer outpatient nutrition counseling services to private sector • Discontinue Orthotics Program (Kamloops)		✓	✓	✓ $	
Ensure Foundations are fiscally responsible for their own employees		✓ $			
Provide consistency for planned annual bed and service closures such as Ambulatory Services during summer & Christmas season		✓		✓ $	
Utilize Licensed Practical Nurses & other care providers within scope of practice		✓	✓ $		
Continue to review & implement strategies for human resources (both employees & physicians) (ie rural nurse educators, employee assistance, occupational health & safety initiatives, employee education)		✓	✓		
Improve quality assessment activities including risk management			✓		
Review & implement strategies to manage pharmaceutical expenditures		✓	✓ $		
Continue to work closely with BC Ambulance Services regarding patient transports & changes to delivery of emergency services		✓	✓		
Provide $2.5 million for surgery (neuro, vascular, complex spinal, plastics)			✓	✓	
Provide additional funding of $1.0 million for magnetic resonance imaging (MRI)			✓		
Provide additional funding $1.0 million for seasonal bed pressures			✓		
Provide $2.3 to assist in repatriation of services to Kootenay Boundary and East Kootenay service area hospitals			✓		
Provide additional $2.5 million to reduce inpatient admissions for Gastroenterology, Diagnostics, & Day Surgery		✓	✓	✓	
Utilize an independent researcher at the University of British Columbia to • Review the alternate level of care utilization by patients in acute care facilities			✓		
Please also refer to strategies for Corporate Services Table 1.6.1					

Table 1.1.2 summarizes bed adjustments for Acute Care Centres within Interior Health.

Table 1.1.2: Proposed Changes to Acute Care Centres By Health Service Delivery Area

Proposed Classification	Acute Care Beds Jan 2002	Acute Care Beds July 2002	Total Beds reduced July 2002	% of beds reduced from Jan to July 2002	% of beds within Interior Health July 2002
East Kootenay Health Service Area	195 beds	112 beds	83 beds	43%	10%
Kootenay Boundary Health Service Area	207 beds	123 beds	84 beds	41%	10%
Okanagan Health Service Area	737 beds	650 beds	87 beds	12%	55%
Thompson Cariboo Health Service Area	374 beds	293 beds	81 beds	22%	25%
Interior Health Totals	1513 beds Jan 2002	1178 beds (July 2002)	335 beds (# reduced)	22% (% reduced)	100%

For further information regarding bed adjustments and assigned classifications within each Health Service Area, please refer to Tables J-1 to J-4 in Appendix J.

1.2 Continuing Care Community Services

The health Home and Community Care services system within Interior Health is being reviewed with respect to home support, home care, community care and residential care services. This review supports the following Interior Health guidelines:

- To provide responsive and appropriate services to support individuals and their caregivers remaining in the community
- To provide appropriate and high quality services in a residential setting for individuals who need this specialized environment
- To provide responsible and appropriate care to individuals who do not require the acute care setting, but do require a stay in a therapeutic environment prior to returning home
- To provide responsive and appropriate support to the caregiver
- To mobilize community based volunteers and agencies to provide the network of support necessary for individuals living in communities

In consideration of the above guidelines, the goals for Home and Community Care are:

Goal 1: To ensure home and community based services provide clients with the option of remaining as independent as possible in their own homes

Goal 2: To focus our residential services to clients with high and complex care needs

Goal 3: To continue to alleviate health services system pressure

Goal 4: In partnership with Housing Agencies, to increase the number of units and the range of housing environments into which personal and professional care can be provided

Goal 5: To implement Population Health Promotion initiatives to support healthy aging and to prevent deterioration of chronic conditions

Goal 6: To develop the infrastructure necessary to support renewal

Table 1.2.1 below summarizes the major initiatives and changes currently planned for the delivery of Continuing Care Community services for 2002/03 – 2004/05 within Interior Health.

Table 1.2.1: Major Initiatives and Changes Planned
Continuing Care Community Services

	Revenue	Efficiency	Practice	Program changes	Targets
Interior Health Home and Community Care Redesign 2002/03-2004/05 (review home, community & residential care) (Goals 1 to 6)		✓	✓	✓ $	✓
Implement strategies to achieve Home Support service standards (ie health monitoring, service coordination, personal assistance, specialized clinical home & community services)		✓	✓ $	✓	✓
Strategies for Goal 1: • Expand services to 24 hours/7 days per week • Increase respite services • Provide expanded rehabilitation services • Provide geriatric & treatment services • Expand Adult Day Program services		✓	✓		✓
Please refer to strategies for Goal 2 within Residential Services in Table 1.3.1					
Strategies for Goal 3: • Provide information and referral services (HealthLink) • Expand acute substitution services (example Home IV programs) • Develop convalescent services • Improve discharge & care coordination		✓	✓		✓
Strategies for Goal 4: (also in Table 1.3.1) Increase capacity of affordable housing into which personal / scheduled care is provided: • Convert existing subsidized housing • Develop partnerships with non-profit & private housing providers • Pilot & develop assisted living • Develop housing options (specific populations)		✓	✓ $	✓	✓
Strategies for Goal 5 under leadership of Population Health: • Provide diabetes education programs • Provide injury & falls prevention programs • Provide immunization programs(eg influenzae)		✓	✓		✓
Strategies for Goal 6 under leadership of Corporate Services: • Information systems & technology to support communication & sharing clinical information • Implement InterRai to support assessment & care planning (MDS-HC for home care, MDS V2.0 for residential care) • Develop & implement Interior Health policies to support service delivery (ie priority access for clients with complex care needs, waitlist management, risk tools, equitable access) • Provide appropriate physical plant & leased space • Support practice change • Develop human resource plan (recruitment & retention)		✓	✓	✓	✓

	Revenue	Efficiency	Practice	Program changes	Targets
• Develop communication plan (service choices, healthy aging & access)					
Explore revenue enhancement	✓				
Reduce, restructure & consolidate non-unionized management/administrative positions		✓ $			
Provide $400,000 additional funding for CSIL			✓		
Provide $3.75 million for targeted programs including palliative care, rehabilitation, home care, and reductions in patients requiring alternate levels of care	✓	✓	✓	✓	✓
Reduce claims for Workers Compensation Board (WCB)		✓ $			
Utilize an independent researcher at the University of British Columbia to • Review the impact of removing personal assistance services for home support clients • Review use of home and community care services to reduce average length of stay for acute care patients			✓		
Please also refer to strategies for Corporate Services in Table 1.6.1					

1.3 Continuing Care Residential Care Services

Table 1.3.1 below summarizes the major initiatives and changes currently planned for the delivery of continuing care residential care services for 2002/03 – 2004/05 within Interior Health. Table 1.3.2, which follows, summarizes the residential care services bed allocation by Health Service Delivery Area (HSA).

Table 1.3.1: Major Initiatives and Changes Planned Continuing Care Residential Care Services

	Revenue	Efficiency	Practice	Program changes	Targets
Interior Health Home and Community Care Redesign 2002/03-2004/05 (review home, community & residential care) (Goals 1, 3,5, & 6) (refer to Table 1.2.1)		✓	✓	✓ $	✓
Strategies for Goal 2: • Upgrade or replace physical plants that are inappropriate for high care needs • Reallocate resources to high needs clients and specialized units (complex medical care and complex dementia care) • Consistently apply best practice models within residential care		✓	✓	✓	✓
Strategies for Goal 4: (Goal also in Table1.2.1) Increase capacity of affordable housing into which personal / scheduled care is provided: • Convert existing subsidized housing • Develop partnerships with non-profit & private housing providers • Pilot & develop assisted living • Develop housing options (specific populations)		✓	✓ $	✓	✓
Utilization targets for residential care: • 75 beds / 1000 population aged 75 & over • 82.5 beds / 1000 population aged 75 & over in rural LHAs • 6 assisted living units/ 1000 population aged 65 years and over					✓
Reduce, restructure & consolidate non-unionized management/administrative positions		✓ $			
Reduce, restructure, & consolidate clerical positions		✓ $			
Restructure and reconfigure delivery of support services (food, housekeeping, laundry, maintenance services)		✓ $			
Implement improvements in attendance management, scheduling, & booking relief		✓ $			
Utilize Licensed Practical Nurses & other care providers within scope of practice		✓	✓		
Reduce claims for Workers Compensation Board (WCB)		✓ $			

	Revenue	Efficiency	Practice	Program changes	Targets
Explore revenue enhancement	✓				
Provide $5.1 million applied for client acuity pressures (including non-amalgamates)			✓		
Provide $10 million for Assisted Living, new facilities, palliative, & sub-acute programs			✓		
Provide infrastructure (information technology, team to oversee restructuring		✓	✓		
Please also refer to strategies for Corporate Services in Table 1.6.1					

The assumptions used in developing the residential bed plan and recommendations are as follows:

- To implement consistent access to residential care based on priority need (as supported by provincial and Interior Health policy), implement improved assessment tools, and consistently apply a risk assessment tool
- To identify bed closures which would generate, on average $90 per bed/day in savings (including the loss of revenue of an average resident contribution of $30/bed/day)
- To reallocate funding to address staffing adjustments for the remaining sites to address higher and specialized care needs
- To provide funding (i.e., through disposition of assets) to complete capital projects at the remaining sites in order to provide higher levels of care. Funding reallocations will occur to facilitate bed redevelopment to ensure bed capacity is not compromised.

Table 1.3.2: Summary of Residential Care Services by Health Service Area

Number of Residential Care Beds/1000 Population 75 years and older

Health Service Delivery Area (HSA)	East Kootenay HSA	Kootenay Boundary HSA	Okanagan HSA	Thompson Cariboo HSA	Interior Health
Current Beds/1,000 pop'n, 75+	108	121	81	86	90
Target # Beds/1,000 pop'n, 75+	82.5	82.5	75	75	75
Revised beds/1000 pop'n 75+ (refer to following detail of changes)	**79.9**	**82.5**	**71.8**	**71.3**	**73.7**

Changes in Residential Care Bed Inventory

Health Service Area (HSA)	East Kootenay HSA	Kootenay Boundary HSA	Okanagan HSA	Thompson Cariboo HSA	Interior Health
Actual # Beds (March, 2002)	**524**	**739**	**2,682**	**763**	**4,708**
# of beds reduced by Mar 2004	(139)	(212)	(203)	(97)	(651)
Residential Beds in new facilities	59	115	375	188	737
Further bed reductions required to develop new projects	(58)	(139)	(482)	(225)	(904)
Net capacity change (residential care beds)	**138**	**236**	**310**	**134**	**818**
Revised # Beds (March 2004)	**386**	**503**	**2,372**	**629**	**3,890**
Target # Beds (based on 75 beds/ 1,000 & 82.5 beds/ 1,000)	399	503	2,475	674	4051

Assisted Living Units

Health Service Delivery Area (HSA)	East Kootenay HSA	Kootenay Boundary HSA	Okanagan HSA	Thompson Cariboo HSA	Interior Health
Assisted Living Units(6/1,000 65+)	74	86	418	137	715

Interior Health plans to reduce 1,555 residential care beds during a two-step process. The first step is to bring each Health Service Area to the utilization target of 75 (or 82.5) beds per 1,000 for those aged 75 years and older. The higher rate applies to rural areas. The second step is to rebuild facilities in order to provide appropriate settings for the placement of residents who require high levels of care. In addition, 715 new assisted living units are planned within Interior Health to provide an alternate to the current provision of care within provided within residential settings.

For further information regarding the residential care sites within each Health Service Area, please refer to Tables K-1 to K-4 in Appendix K.

1.4 Mental Health Services

Table 1.4.1 below summarizes the major initiatives and changes currently planned for the delivery of mental health services for 2002/03 – 2004/05 within Interior Health.

Table 1.4.1: Major Initiatives and Changes Planned Mental Health Services

	Revenue	Efficiency	Practice	Program changes	Targets
Plan for mental health services to identify areas for expanded services for targeted needs		✓	✓	✓	
After needs are determined, allocate $3.06 million in alignment with Performance Agreement			✓		
Reconfigure Psychiatry Daycare from acute care site to community services (Kelowna)		✓	✓ $	✓	
Await new funding before implementing projects in planning phase: • 4 bed Psychogeriatric short term assessment • Neuropsychologist services			✓ $		
Vacant positions that will not be filled			✓ $		
Review contracts & services for efficiencies			✓ $		
Review & potentially eliminate contract(s) (Central Okanagan, Thompson Cariboo)		✓	✓ $	✓	
Amalgamate crisis line with crisis stabilization unit, (Williams Lake)			✓ $		
Staffing consolidation / position reductions (case management, access, & eating disorders)			✓ $		
Planned programs not yet implemented will not be commenced (acute care diversion program)			✓ $		
Please also refer to strategies for Corporate Services in Table 1.6.1					

1.5 Public Health Services

Table 1.5.1 below summarizes the major initiatives and changes currently planned for the delivery of public health and preventive services for 2002/03 – 2004/05 within Interior Health.

Table 1.5.1: Major Initiatives and Changes Planned Public Health and Preventive Services

	Revenue	Efficiency	Practice	Program changes	Targets
• Reconfigure & reduce senior manager positions, support positions and associated non-wage costs • Move towards equity in staffing distribution through reallocation and differential reduction of staff among the Health Service Areas • Consolidate decision supports (information, research & evaluation) • Staffing reductions through attrition (wherever possible), partial vacancy replacements, reduced part time / casual backfill hours		✓ $			
Review feasibility of enhancing screening for children aged 0-5 years & discontinue routine kindergarten school-entry vision / hearing program (decision based on research)			✓	✓ $	
Review contracts & services for efficiencies (tobacco, HIV/AIDS, Addictions)		✓ $		✓ $	
Implement income-based cost-recovery hearing aid dispensing program for children with hearing impairments (anticipated revenue-neutral)	✓ $			✓	
Realign services from focus on individual care to population health (example pre-school speech language pathology)				✓ $	
Review best practices (ie chronic disease management initiatives for targeted needs, early childhood development, prenatal education & travel health services)			✓ $		✓
Explore cost recovery for influenzae immunizations for healthy young adults	✓				
Implement cost-recovery travel clinics	✓ $				
Medical Health Officers have lead roles in: • Aboriginal Health • Communicable disease prevention • Population Health plus Health Status Report • Chronic disease prevention • Injury prevention • Primary health care • Addictions Services Review • Safe Drinking Water Act implementation		✓ $	✓		✓
Please also refer to strategies for Corporate Services in Table 1.6.1					

1.6 Corporate Services

Table 1.6.1 below summarizes the major initiatives and changes currently planned for the delivery of corporate services for 2002/03 – 2004/05 within Interior Health.

Table 1.6.1: Major Initiatives and Changes Planned Corporate Services

	Revenue	Efficiency	Practice	Program changes	Targets
Streamline administration and support services while improving service delivery (ie business system implementation, consolidation & standardization of purchase contracts/equipment purchases, and integration of clinical information systems including further roll-out of systems		✓ $	✓	✓	
Reduce, restructure & consolidate non-unionized management/administrative positions		✓ $			
Reduce, restructure, & consolidate clerical positions		✓ $			
Restructure Laundry/Linen Services		✓ $			
Restructure Housekeeping Services		✓ $			
Restructure Plant & Maintenance Services		✓ $			
Restructure Food Services		✓ $			
Implement administrative efficiencies (asset management, lease costs, former Board costs, former administrative costs)		✓ $			
Improve accountability: • Implement Interior Health Accountability Framework • Comply with Performance Agreement			✓		✓
Continue to review & implement strategies for human resources (both employees & physicians) (ie rural nurse educators, employee assistance, occupational health & safety initiatives, employee education, attendance management)		✓	✓		
Develop Interior Health Quality Framework including risk management & quality assessment activities		✓	✓		
Continue to implement consistent utilization review & management processes		✓	✓		
Provide health information management for decision support and consistency in information		✓	✓	✓	
Participate in provincial initiatives to develop electronic health record		✓	✓		

1.7 Primary Health Care

Table 1.7.1 below summarizes the major initiatives and changes currently planned for the delivery of primary health care for 2002/03 – 2004/05 within Interior Health.

Table 1.7.1: Major Initiatives and Changes Planned
Primary Health Care

	Revenue	Efficiency	Practice	Program changes	Targets
Plan for primary health care services to identify areas to provide expanded services that target specific needs		✓	✓	✓	
Collaborate, share & participate in review & development of primary health care initiatives by providing a variety of interdisciplinary perspectives			✓		
Continue to develop & implement primary health care practice models (demonstration projects, telecare projects, clinical practice guidelines)			✓		
Emphasize health promotion, disease and injury prevention and management of chronic disease			✓		
Please also refer to strategies for Corporate Services in Table 1.6.1					

2.0 RATIONALE

Appendix A outlines Interior Health selected performance measures that are in alignment with the provincial Performance Agreement and redesign strategies. A brief overview of the rationale used to select efficiency measures, utilization targets and service changes is included.

For each sector, consideration was given to the population served and processes for the delivery of health services. In each sector and/or Health Service Area, the strategies were arrived at through evaluation by a knowledgeable group of individuals, generally at a senior management level.

For selection of **acute care** targets and recommendations, the following factors were considered:

- Population, geography, and anticipated population growth
- Travel distance between hospitals
- Age standardized utilization rates and similar information
- Target measures for utilization rates based on the recognition that there may be fewer community services and alternative care delivery models in rural areas
- Size of the acute care site (existing number of beds) and average daily number of patients (excluding alternate level of care patients)
- Types of patients admitted into acute care

- Numbers of emergency visits
- Numbers and types of acute care cases referred to other hospitals
- Number and types of local physicians and other health service providers
- Transport information from BC Ambulance
- Capital infrastructure including recent equipment purchases, recent renovations, and a descriptive "rating" of the building structure,
- Sufficient volume of patients, and
- Ability to attract and retain professional staff

The descriptors pertaining to the rationale were: access/responsiveness, system competency, efficiency and equity. For additional information, please refer to *Interior Health Acute Care Centres: Initial Review of Roles Part I: Profiles and Background Information, Part II: Preliminary Recommendations.*

Across **Community Care** programs in Interior Health, there was disparity in the utilization of home support hours. Common standards for personal care and caregiver support have been implemented. These standards focus on the provision of Interior Health community care services that supplement support from family and client support networks. The rationale factors related to: respect/caring, client/patient focus, worklife, responsiveness/access and system competency. For additional information, please refer to *Interior Health Home and Community Care Redesign 2002/03 to 2004/05.*

For **Residential Care** bed planning purposes, Interior Health has selected a target of 75 beds/ 1000 population aged 75 years and older (for the urban health service areas of Okanagan and Thompson). A higher rate of 82.5 beds/1000 population aged 75 years and older was selected for rural areas of Cariboo and Chilcotin, and in the Kootenay Boundary and East Kootenay health service areas in recognition that there may be fewer community services and alternative service delivery models in these areas. With the aging of the population over the next 5 years, this ratio of beds per 1000 (for people aged 75 years and over) will decrease. However, the following trends will be monitored:

- Admission age to residential care (offsetting need for beds)
- Availability of service alternatives to residential care (offsetting need for beds)
- Length of stay of newly admitted clients to residential care is now measured in months rather than years so overall capacity of existing beds is improved (offsetting the need for beds)
- Use of residential care services for non-placement programs that substitute for acute care (i.e. convalescent care and palliative care) and episodic needs for residential care for community living clients (i.e., reactivation, geriatric assessment) (potentially increasing the need for beds)

For Assisted Living, the selected target is 6 units/ 1000 population aged 65 years and older. This target was selected after considering:

- Availability of existing seniors housing project under BC Housing programs
- BC Housing methodology for determining housing need
- Opportunities to incorporate assisted living into residential site redevelopment

- Availability of community capacity to provide affordable housing and supportive living accommodations provided by non profit societies
- Interest of private providers in providing affordable supportive living projects into a community

The rationale descriptors related to residential care services include respect/caring, client/patient focus, worklife, responsiveness/access and system competency. For additional information, please refer to *Interior Health Home and Community Care Redesign 2002/03 to 2004/05.*

The rationale descriptors for **Mental Health Services** that relate to the strategies selected for system redesign are: respect/caring, client/patient focus, efficiency, equity, access, worklife, responsiveness/access and system competency. A planning process is currently underway within Mental Health Services to determine priority client needs, prepare recommendations, and comparison to Performance Agreement targets.

For **Public Health Services**, the rationale for the redesign strategies was based on equity, population focus, client focus, efficiency, access, worklife, responsiveness/access and system competency.

For **Corporate Services**, the rationale descriptors for the redesign strategies included equity, efficiency, worklife, access, responsiveness, system competency and system alignment. In addition, previous successful implementations were considered in selecting areas for consolidation and streamlining of administrative and support services.

The strategies for **Primary Health Care** focus on the delivery of both rural and urban primary health services because both are of geographical importance within Interior Health. There is active interest to participate and share information about a variety of primary care models. In addition, it is intended to include an interdisciplinary perspective. To date, the strategies include a focus on rural health, and on the utilization of technology for teleradiology, telehealth and the beginnings of an electronic health record. The rationale descriptors included access, equity, efficiency, worklife, responsiveness, system competency and system alignment.

3.0 IMPACT ON QUALITY OF CARE AND SERVICE WORKLOADS

It is anticipated that the implementation of service redesign of this magnitude will have a dual impact on the quality of health services. In some areas, it will likely improve the quality of health service delivery. In others, there may be negative impacts such as waitlists because the system will be undergoing a highly complex reconfiguration. It is difficult to precisely predict the impact on scope and volume of service workloads.

As indicated above indicators have been selected for monitoring service, and these are in alignment with the provincial Performance Agreement. In addition to the performance measures outlined in Appendix A, the utilization targets for acute care, residential care, and assisted living have been selected. In addition, the application of consistent standards across Interior Health has begun.

Interior Health has also prepared baseline performance indicators to assist in quantitative comparisons following the implementation of system redesign strategies. A risk assessment

overview has been distributed to senior staff to prepare for managing potential risk. From this assessment, the following are in the process of implementation:

- Nurse educators to assist in providing high quality standards
- Access coordinators who will focus on utilization of acute care facilities, plus assist with improving patient transfer between small and large acute care facilities
- Patient advocates will be consistent points of access for concerned individuals
- A Risk Coordinator is developing a risk management framework within the quality assessment
- Focus on chronic disease prevention and chronic disease health management
- Improvements in linkages between BC Ambulance Services and Health Service Areas

In addition, the themes relating to high quality services include continuity of care, standardized application for procedures, equity of access for complex procedures, plus improved community integration, primary health care, and specialized services. For Public Health Services, a population approach should decrease the waitlist for children requiring speech therapy in the long term as the population health approach is adopted. However it should be noted that changes to the delivery of travel clinics may increase risk for travel-related diseases.

4.0 FINANCIAL IMPLICATIONS

As described earlier the **$ symbol** in the Tables within the first section, *1.0 Major Initiatives and Changes*, depicts the correlation point between the named initiative and the Budget Management Plan, Section II of this document.

The financial overall year-end projections (in $ millions) for before and after application of the redesign strategies are:

	2002/03	**2003/04**	**2004/05**
Projected deficit prior to strategies	(51.57 m)	(80.26 m)	(104.85 m)
Total redesign strategies projected savings	58.81 m	80.58 m	105.17 m
Revised Projected surplus	7.24 m	0.32 m	0.32 m

(million=m)

The Budget Management Plan proposes a balanced annual operating budget for 2002/03 of $1.070 million in recognition of the risks associated with the *Budget Management Plan*. For additional information, refer to Appendices:

- Appendix B: Annual Projections – 2001/02 - 2004/05
- Appendix C: Service Redesign Strategies – by Geographic Area
- Appendix D: Service Redesign Strategies – by Sector
- Appendix E: Cash Flow Projections
- Appendix F: Equity Projections
- Appendix G: Balance Sheet Projection

Appendix H contains the following Schedules:

- Schedule A: Capital Improvement Projects,
- Schedule B: Legally Committed Projects
- Schedule C: Provincial Priority Projects in Planning
- Schedule D: Approved Projects in Planning Stage
- Schedule E: Unapproved Projects Proceeding to Part B Business Care

5.0 IMPACT ON HEALTH HUMAN RESOURCES

The cumulative impact on the number of full time equivalents (FTEs) positions to be deleted for each fiscal year of the plan is detailed in Appendix B. The table below indicates the projection of FTE positions to be reduced and the resulting cost saving from applying the redesign strategies on an annualized basis. It should be noted that as positions are deleted as per below, it is anticipated that other new positions will be created.

2002/03		2003/04		2004/05		Annualized	
$	FTEs	$	FTEs	$	FTEs	$	FTEs
58.81 m	803.87	80.58 m	1136.36	105.17 m	1206.49	105.17 m	1206.49

Note: million=m
FTE and $ figures are cumulative to the final annualized amount by Year 3

The implementation of the processes to declare that people are surplus to the organization will be exceptionally disruptive to the workplace. Because of this, it is anticipated that productivity may decrease in the short term.

In addition, a reconfiguration of this magnitude means there will be issues relating to labour and employee relations, legal employment issues, severance costs, plus costs for career transition. It is also anticipated that this will have a positive impact on hard-to-fill positions.

The issues that will likely impact physicians include:

- Acute care role conversion from a community hospital to another role
- Provision of continuous on-call services
- Payment structure (ie on-call, alternate payments, emergency physicians, sessional fees)
- Acute care utilization management
- Outpatient utilization of emergency services
- Discussions regarding provision of tertiary / "high secondary" services

- Development of contingency pians
- Impact on patient transfers via BC Ambulance Services

6.0 ACCESS STANDARDS

The Standards of Accessibility and Guidelines for Provision of Sustainable Acute Care Services (February 19, 2002) have been considered and Interior Health should be able to meet these draft provincial standards.

7.0 BC AMBULANCE SERVICE

Interior Health continues to work with BC Ambulance Service regarding patient transport requirements. A senior manager from BC Ambulance Service has been invited to join the Senior Management Team for regular meetings in each Health Service Area. In addition, in the Thompson Cariboo Health Service Area, funding has been allocated to assist in improving the level of training for local Ambulance Attendants.

In preparation for the implementation of acute care redesign strategies, Interior Health has been in discussions with BC Ambulance Service to ensure this agency is aware of the pending changes.

8.0 BARRIERS TO IMPLEMENTATION

Barriers and challenges to implementation may need to be addressed at the provincial level via the following recommended actions:

- Continue working with labour unions at the provincial level to provide further flexibility within collective agreements such as specific language for holidays, leave of absences, and special leaves.
- Continue to increase the capacity for educational training programs to increase the number of graduates in health services programs including Laboratory/X-ray (combined) Technologists, Midwives, Operating Room Technologists, and increased seats for Licensed Practical Nurses.
- Provide adequate compensation for physicians to provide telephone and videoconference consultation.
- Increase the resident fees for home, community and residential care services, and implement asset and income assessments that are retrospective for 5 years.
- Provide a provincial formulary for pharmaceuticals especially for newly approved drugs.
- Modify the collective agreement language relating to Home Support Workers and potentially BC Ambulance workers to improve the efficiency of scheduling and continuity of client care.

- Move quickly to a population-based funding formula for Public Health Services.

- Improve the flexibility of the *Continuing Care Act* and associated Regulations, and remove outdated regulations that cause difficulties in implementing changes within licensed long term care facilities.

- Implement a system to improve access to cardiac surgery that would include the identification of criteria, and a way to monitor timely access. This system would ensure that a patient waiting in an acute care centre is not deemed more urgent than a patient waiting at home or in another care setting. It is imperative that this system be open and transparent for viewing by the public.

9.0 RISK

As the Ministries are aware, there are risks to both the budget forecast and potentially to the quality of patient services. Regarding risk to budget, the more time that elapses before the public announcement of the redesign strategies, the greater the risk to not meet budget targets due to having to absorb more carrying costs. Additional factors relating to risk to budget include:

- Lack of consolidated business information and clinical indicators
- Varying caliber of pre-existing budgets
- Computer system changes simultaneous with restructuring changes
- Physician issues
- Managerial issues
- Ambulance Services issues
- Revenue issues
- Timing and volume pressures
- Organizational culture and morale issues
- Public perception and opinion

In addition to the points already mentioned in the preceding section 3.0 on quality, the implementation of risk management strategies has begun. This includes:

- Communication through the toll free hotline for patients, staff and the public
- Providing communication to internal stakeholders, the public, and external stakeholders

- Providing a dedicated Home and Community Care Redesign Team to focus on the redesign of home, community, and residential care, and forming project teams to implement the changes
- Quality review initiatives
- Accreditation processes and reviews
- Utilization bed planning, access management
- Patient Advocates
- Development of key indices to monitor progress
- Consistency in standards of service delivery within Interior Health
- Seasonal funding to focus on peak utilization periods
- Continue to work with BC Ambulance Services, and monitor the impact of redesign strategies on patient transport.

10.0 EXECUTIVE LEVEL SAVINGS AND EFFICIENCIES

The streamlining of executive level savings and efficiencies gained through restructuring has included reductions in positions that were formerly Chief Executive Officers, direct report positions, and executive administrative staff. Effective April 1, 2002, the following table summarizes these targeted cost saving efficiencies:

	Corporate Programs	Executive & Admin Support	Total
Wage	3.80 m	1.68 m	5.48 m
Non-wage	1.50 m	0.50 m	2.00 m
Total $	5.30 m	2.18 m	7.48 m
Total FTE	109.97FTE	26.00 FTE	135.97 FTE

(million=m)

Of the 109.97 FTE positions that have been identified for reduction in the area of Corporate Programs, approximately 75 FTE positions will be reduced over the next two years. The balance will then be assessed for further reductions following implementation of a common accounts receivable system.

11.0 IMPLEMENTATION STRATEGIES

The implementation of the recommendations in the *Interior Health Acute Care Centres: Initial Review of Roles* is planned for 90 days following public announcement. Twelve to 24 months

following public announcement, the Residential Bed Plan component of the *Interior Health Home and Community Care Redesign* will be implemented. The implementation of these two key initiatives is paramount for Interior Health to meet the projected budget.

In addition to the redesign restructuring and the implementation of identified strategies in each sector, a dedicated team is focusing on preparing for the implementation of the redesign of home, community and residential care. There will also be individual project teams assigned for specific projects during implementation. In addition, another group has been formed to deal with the management of assets following implementation of the recommendations in the *Interior Health Acute Care Centres: Initial Review of Roles*, and the *Interior Health Home and Community Care Redesign*.

In addition to restructuring and the implementation of identified strategies by sector in this document, implementation strategies include a continued focus on physician relationships including medical structures and medical compensation.

The communication strategies for the redesign initiatives include:

- Education sessions regarding use of statistical information
- Preparing and releasing profiles on each acute care facility
- Meeting with key members of communities including Mayors, members of Regional Districts/Regional Hospital Districts, Ministers and Members of the Legislative Assembly
- Preparing newsletters for staff and internal stakeholders
- Preparing community newsletters and media releases
- Utilizing electronic mail to distribute a variety of communication dispatches
- Preparing speaking notes for a variety of stakeholders
- Preparing an "intranet" for distribution of information to Interior Health employees
- Forming an implementation team for the business system redesign
- Utilizing the Interior Health website to provide accurate information for the public
- Meeting with concerned citizens, physician groups, and representatives from local community agencies
- Continued use of the toll free hotline and web-based queries
- Invitation for public submissions to the Board on the evening preceding the Board meeting.

SECTION II: BUDGET MANAGEMENT PLAN

1.0 BUDGET MANAGEMENT PLAN SUMMARY

Budget Management Plan Executive Summary

The Ministry of Health Services directed BC's health authorities to balance net assets over two fiscal years (2002/03 and 2003/04). In addition to the structural deficit from 2001/02 of approximately $18 million, Interior Health is projected to incur an additional $116 million in new cost pressures by year two of the plan. The most significant of these pressures are the salary and benefit increases that our staff are scheduled to receive under the current collective agreement.

Interior Health is fundamentally redesigning the healthcare delivery system. The Ministry provided Interior Health with an increased global grant of $80 million for 2002/03, of which $38 million will be targeted towards new spending in high priority programs. The remainder of the grant increase and a quick implementation of the $73 million in redesign strategies will address the inflationary pressures of year one and two. Year three inflationary pressures will be addressed by private-public-partnerships (P3s).

Summary Of Plan

Interior Health's plan to balance inflationary pressures with revenue and cost savings is shown in the following table (millions of dollars). The components of the table are explained in the following sections.

	2002/03	2003/04	2004/05
Inflationary costs (wage & non-wage)	$ 77 m	$116 m	$ 137 m
New Spending	28 m	45 m	48 m
Restructuring Costs	27 m		
Total New Costs	132 m	161 m	185 m
Increased Global Grant	80 m	80 m	80 m
Redesign Strategies	59 m	81 m	105 m
Total Revenue/Cost Savings	139 m	161 m	185 m
Projected Net Income (Loss)	$ 7 m	$ 0 m	$ 0 m

Note: m = million

Cost Pressures

2001/02

The four HSAs will be addressing their run rate issues to eliminate their 2001/02 structural deficit. Our two-year plan was completed under the assumption that the 2001/02 structural deficit is zero on April 1, 2002.

2002/03 to 2004/05

The cost pressures of 2002/03 and 2003/04 form the basis of the budget management plan. Cost pressures that were included in the three-year projection are:

- Salary
  - Investment of targeted funding to create additional direct care aide positions in year one and two
  - Annualization of 2001/02 salary increases
  - Salary increases related to 2002/03 and 2003/04
  - Provision for retention, compression issues and re-classification
  - Benefit contributions:
    - WCB increase at 25% per year for three years
    - Other increases in 2002/03: MSP (50%), CPP & EI (5%), Extended Health (25%)
      - 2003/04 & 2004/05 increases at 50% of 2002/03 rate
- Non-Salary
  - Physician remuneration at 11% increase per year for diagnostic inpatient consults, committee work, on-call and other physician administration fee increases
  - Drugs at 7% per year annual increase
  - Specialty training at $1 million per year
  - Utilities at $1.135 million per year
  - Interest income decreasing due to draw down of cash balances (6% decrease in 2002/03, 13% in 2003/04 and 15% in 2004/05 as compared to 2001/02 budget)
  - Transferred MoHS programs are expected to increase the cost pressures by $.6 million in 2002/03 and $1.2 in 2003/04 and 2004/05, but these costs will be offset by program specific revenue/cost savings
  - Other pressures estimated to increase at 1% of 2001/02 budget each year

Global Grant and New Spending

The Ministry of Health Services increased Interior Health's global grant by $80 million for 2002/03. This grant has been allocated between new spending in high priority programs and reinvestment to meet the cost pressures of year one and two.

Budget Reduction Strategies

The budget reduction targets totaled $73 million (before P3 strategies). The HSAs, public health and the Corporate office provided detailed strategies totaling $84 million. The surplus of strategies over the target will be used for transition issues in year one and will be reinvested in

year two and three. All strategies were assumed to be fully implemented by April 1, 2002, except for:

- Residential bed plan (17% year one, 80% year two, 100% year three)
- Home and Community Care Redesign (100% year one)
- Acute Care Role Review (75% year one, 100% year two)
- General and clinical efficiencies (100% year one)
- Public Private Partnerships strategies (100% year three)

The year one budget reductions of $59 million are $13 million less than the target and $25 million less than the annualized amount of strategies due to the delay in implementation.

Restructuring Costs

Restructuring costs are estimated at $44 million as shown in the following table. Interior Health will accrue $17 million in 2001/02 and $27 million in 2002/03. These costs will cash flow over 2002/03 to 2004/05.

Sick and Severance	$ 17 m
A/R and HR	4 m
Telephone	1 m
IT/Clinical/Telecommunications	10 m
Redevelop Residential Facilities	10 m
Warehouse & Restructure Leases	2 m
	$ 44 m

Note: m = million

PART C: CONCLUSION

The Interior Health Authority *Health Service Redesign Plan Summary and Budget Management Plan 2002/03 to 2004/05* is a comprehensive and ambitions undertaking. Its implementation will require tremendous energy and effort. There is confidence, however, that the planned initiatives and milestones can be accomplished.

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APPENDIX A

Performance Measures by Sector

Goal 1: Health & Wellness	Goal 2: Delivery of Health Services	Goal 3: Infrastructure & Support

Sector: ACUTE CARE SERVICES

Strategic Directions:

Focus on clients & patients to balance benefits with cost	Sustainability & accountability	Responsiveness (including access)	System competency	Human Resources (multi-focus approach)	Information (including communication)

Strategies:

Interior Health Acute Care Role Review (classification system, guidelines, program consolidation, bed adjustments, facility role conversions, facility closures & utilization targets)
(please also refer to Tables 2 through 5 below)

Utilization targets are:
- Urban LHA: 475 days/1000 population
- Rural close: LHA 525 days/1000 population
- Rural remote: LHA 575 days/1000 population

Review models of service delivery for:
- Diagnostic & Treatment Centres
- Level 1 Community Hospitals
- Tertiary / high secondary acute care services
- Patient referrals going outside Interior Health
- Collaborate to develop emergency guidelines
- Collaborate to develop measures for surgical & procedural services

Increase and standardize revenues (fee structures, room differentials, office/clinic rentals, out-of country patients)

Reduce, restructure & consolidate non-unionized management/administrative positions

Reduce, restructure, & consolidate clerical positions

Restructure and reconfigure diagnostic services (radiology plus specific outpatient procedures)

Restructure laboratory services

Increase use of "point of care" devices

Restructure clinical support services (transcription services)

Restructure and reconfigure delivery of support services (food, housekeeping, laundry, maintenance services)
Implement improvements in attendance management, classifications, scheduling, & booking relief

Provide telehealth initiates such as PACs (Thompson Cariboo Health Service Area), tele-psychiatry, emergency medicine (Cranbrook), and Health Links.

Focus on delivery of acute care service delivery within acute care centres:
- Transfer outpatient rehabilitation therapy to private sector (with exceptions)
- Transfer outpatient nutrition counseling services to private sector
- Discontinue Orthotics Program (Kamloops)

Ensure Foundations are fiscally responsible for their own employees

Provide consistency for planned annual bed and service closures such as Ambulatory Services during summer & Christmas season

Strategies: (continued)

Utilize Licensed Practical Nurses & other care providers within scope of practice

Continue to review & implement strategies for human resources (both employees & physicians) (ie rural nurse educators, employee assistance, occupational health & safety initiatives, employee education)
Improve quality assessment activities including risk management

Review & implement strategies to manage pharmaceutical expenditures

Continue to work closely with BC Ambulance Services regarding patient transports & changes to delivery of emergency services

Provide $2.5 million for surgery (neuro, vascular, complex spinal, plastics)

Provide additional funding of $1.0 million for magnetic resonance imaging (MRI)

Provide additional funding $1.0 million for seasonal bed pressures

Provide $2.3 to assist in repatriation of services to Kootenay Boundary and East Kootenay service area hospitals

Provide additional $2.5 million to reduce inpatient admissions for Gastroenterology, Diagnostics, & Day Surgery

Utilize an independent researcher at the University of British Columbia to review the alternate level of care utilization by patients in acute care facilities

Please also refer to strategies for Corporate Services Table 1.6.1

Performance Measures:

2002/03:

- Acute / rehab utilization rates (cases, days & age standardized days / 1000) to move toward target utilization rates identified in acute care roles review.
- Access to acute care services (provincial accessibility standards)
- Alternate level of care utilization rates
- Indicators as identified in Interior Health Risk Management framework
- Case rates for conditions that may not require hospitalization
- Self-sufficiency rates and referral patterns

2003/04:

- Acute / rehab utilization rates (cases, days & age standardized days / 1000)
- Access to acute care services (provincial accessibility standards)
- Alternate level of care utilization rates
- Indicators as identified in Interior Health Risk Management framework
- Case rates for conditions that may not require hospitalization
- Self-sufficiency rates and referral patterns
- Emergency services management measures (to be developed)
- Surgical and procedural service measures (to be developed)
- 30 day inpatient mortality rates for acute myocardial infarction and stroke
- Hospital readmission rates for heart attack, congestive heart failure, pneumonia, and gastrointestinal hemorrhage

Performance Measures (continued):

2004/05:

- Acute / rehab utilization rates (cases, days & age standardized days / 1000)
- Access to acute care services (provincial accessibility standards)
- Alternate level of care utilization rates
- Indicators as identified in Interior Health Risk Management framework
- Case rates for conditions that may not require hospitalization
- Self-sufficiency rates and referral patterns
- Emergency health services measures (to be developed)
- Surgical and procedural service measures (to be developed)
- 30 day inpatient mortality rates for acute myocardial infarction and stroke
- Hospital readmission rates for heart attack, congestive heart failure, pneumonia, and gastrointestinal hemorrhage

(*awaiting clarification of proposed indicators for equitable access and appropriate use of blood products*)

Goal 1: Health & Wellness	Goal 2: Delivery of Health Services	Goal 3: Infrastructure & Support

Sector: **COMMUNITY CARE SERVICES**

Strategic Directions:

Focus on clients & patients to balance benefits with cost	Sustainability & accountability	Responsiveness (including access)	System competency	Human Resources (multi-focus approach)	Information (including communication)

Strategies:

Interior Health Home and Community Care Redesign 2002/03-2004/05 (review home, community & residential care) (Goals 1 to 6)

Implement strategies to achieve Home Support service standards (ie health monitoring, service coordination, personal assistance, specialized clinical home & community services)

Strategies for Goal 1:

- Expand services to 24 hours/7 days per week
- Increase respite services
- Provide expanded rehabilitation services
- Provide geriatric & treatment services
- Expand Adult Day Program services

Please refer to strategies for Goal 2 within Residential Services in Table 1.3.1

Strategies for Goal 3:

- Provide information and referral services (HealthLink)
- Expand acute substitution services (example Home IV programs)
- Develop convalescent services
- Improve discharge & care coordination

Strategies for Goal 4: (also in Table 1.3.1)
Increase capacity of affordable housing into which personal / scheduled care is provided:

- Convert existing subsidized housing
- Develop partnerships with non-profit & private housing providers
- Pilot & develop assisted living
- Develop housing options (specific populations)

Strategies for Goal 5 under leadership of Population Health:

- Provide diabetes education programs
- Provide injury & falls prevention programs
- Provide immunization programs(eg influenzae)

Strategies for Goal 6 under leadership of Corporate Services:

- Information systems & technology to support communication & sharing clinical information
- Implement InterRai to support assessment & care planning (MDS-HC for home care, MDS V2.0 for residential care)
- Develop & implement Interior Health policies to support service delivery (ie priority access for clients with complex care needs, waitlist management, risk tools, equitable access)
- Provide appropriate physical plant & leased space
- Support practice change
- Develop human resource plan (recruitment & retention)
- Develop communication plan (service choices, healthy aging & access)

Strategies: (continued)

Explore revenue enhancement

Reduce, restructure & consolidate non-unionized management/administrative positions

Provide $400,000 additional funding for CSIL

Provide $3.75 million for targeted programs including palliative care, rehabilitation, home care, and reductions in patients requiring alternate levels of care

Reduce claims for Workers Compensation Board (WCB)

Utilize an independent researcher at the University of British Columbia to
- Review the impact of removing personal assistance services for home support clients
- Review use of home and community care services to reduce average length of stay for acute care patients

Please also refer to strategies for Corporate Services in Table 1.6.1

Performance Measures:

2002/03:
- Home support utiiization rates (clients, hours and hours by care level)
- Home care nursing and home rehab utilization rates (clients and visits)
- Adult day care utilization rates (clients and days)
- Alternate level of care utilization rates, 65+ population
- Percentage of home & community care clients with high care needs (IC2 and higher) living in own home: increase by 2% *
- Assisted Living Units / population
- Percentage of clients dying at home & in hospice vs. in hospital
- Average length of hospital stay for palliative care clients

2003/04:
- Home support utilization rates (clients, hours and hours by care level)
- Home care nursing and home rehab utilization rates (clients and visits)
- Adult day care utilization rates (clients and days)
- Alternate level of care utilization rates, 65+ population
- Percentage of home & community care clients with high care needs (IC2 and higher) living in own home: increase by 5% *
- Assisted Living Units / population
- Percentage of clients dying at home & in hospice vs. in hospital
- Average length of hospital stay for palliative care clients

2004/05:
- Home support utilization rates (clients, hours and hours by care level)
- Home care nursing and home rehab utilization rates (clients and visits)
- Adult day care utilization rates (clients and days)
- Alternate level of care utilization rates, 65+ population
- Percentage of home & community care clients with high care needs (IC2 and higher) living in own home: increase by 5% *
- Percentage of clients dying at home & in hospice vs. in hospital
- Assisted Living Units / population
- Average length of hospital stay for palliative care clients
- Full implementation of new assessment tool for home care *

*2002/03 Performance Agreement, Schedule A performance measures

(*awaiting information on proposed performance indicators for inappropriate emergency visits by home & community care clients, admissions to acute care hospitals for home and community care clients, early discharges for home and community care clients from hospital, and inappropriate admissions to residential care facilities*).

Goal 1: Health & Wellness	Goal 2: Delivery of Health Services	Goal 3: Infrastructure & Support

Sector: **RESIDENTIAL CARE SERVICES**

Strategic Directions:

Focus on clients & patients to balance benefits with cost	Sustainability & accountability	Responsiveness (including access)	System competency	Human Resources (multi-focus approach)	Information (including communication)

Strategies:

Interior Health Home and Community Care Redesign 2002/03-2004/05 (review home, community & residential care) (Goals 1, 3,5, & 6)

(refer to Table 1.2.1)

Strategies for Goal 2:

- Upgrade or replace physical plants that are inappropriate for high care needs
- Reallocate resources to high needs clients and specialized units (complex medical care and complex dementia care)
- Consistently apply best practice models within residential care

Strategies for Goal 4: (Goal also in Table1.2.1)

Increase capacity of affordable housing into which personal / scheduled care is provided:

- Convert existing subsidized housing
- Develop partnerships with non-profit & private housing providers
- Pilot & develop assisted living
- Develop housing options (specific populations)

Utilization targets for residential care:

- 75 beds / 1000 population aged 75 & over
- 82.5 beds / 1000 population aged 75 & over in rural LHAs
    - 6 assisted living units/ 1000 population aged 65 years and over

Reduce, restructure & consolidate non-unionized management/administrative positions

Reduce, restructure, & consolidate clerical positions

Restructure and reconfigure delivery of support services (food, housekeeping, laundry, maintenance services)

Implement improvements in attendance management, scheduling, & booking relief

Utilize Licensed Practical Nurses & other care providers within scope of practice

Reduce claims for Workers Compensation Board (WCB)

Explore revenue enhancement

Provide $5.1 million applied for client acuity pressures (including non-amalgamates)

Provide $10 million for Assisted Living, new facilities, palliative, & sub-acute programs

Provide infrastructure (information technology, team to oversee restructuring

Please also refer to strategies for Corporate Services in Table 1.6.1

Performance Measures:

2002/03:

- Residential care utilization rates (days / 1000 and days / 1000 by care level)
- Percentage of residential care clients assessed as IC3 or EC
- Admissions to residential care by care level
- Residential care beds / population

2003/04:

- Residential care utilization rates (days / 1000 and days / 1000 by care level)
- Percentage of residential care clients assessed as IC3 or EC
- Admissions to residential care by care level
- Residential care beds / population

2004/05:

- Residential care utilization rates (days / 1000 and days / 1000 by care level)
- Percentage of residential care clients assessed as IC3 or EC
- Admissions to residential care by care level
- Residential care beds / population

(*awaiting information on proposed performance indicator for inappropriate admissions to residential care facilities*).

Goal 1: Health & Wellness	Goal 2: Delivery of Health Services	Goal 3: Infrastructure & Support

Sector: **MENTAL HEALTH SERVICES**

Strategic Directions:

Focus on clients & patients to balance benefits with cost	Sustainability & accountability	Responsiveness (including access)	System competency	Human Resources (multi-focus approach)	Information (including communication)

Strategies:

Plan for mental health services to identify areas for expanded services for targeted needs

After needs are determined, allocate $3.06 million in alignment with Performance Agreement

Reconfigure Psychiatry Daycare from acute care site to community services (Kelowna)

Await new funding before implementing projects in planning phase:
- 4 bed Psychogeriatric short term assessment
- Neuropsychologist services

Vacant positions that will not be filled

Review contracts & services for efficiencies

Review & potentially eliminate contract(s) (Central Okanagan, Thompson Cariboo)

Amalgamate crisis line with crisis stability unit, (Williams Lake)

Staffing consolidation / position reductions (case management, access, & eating disorders)

Planned programs not yet implemented will not be commenced (acute care diversion program)

Please also refer to strategies for Corporate Services in Table 1.6.1

Performance Measures:

2002/03:
- Acute inpatient utilization for mental illness
- Alternate level of care utilization by mental health and alcohol & drug clients after primary need for inpatient care is completed: no change *
- Percentage of mental health hospital discharges receiving community / physician follow-up within 30 days of discharge: 3% improvement *
- Riverview replacement units: 40 units *
- Adult mental health service funding per capita (including capital)

2003/04:
- Acute inpatient utilization for mental illness
- Alternate level of care utilization by mental health and alcohol & drug clients after primary need for inpatient care is completed: 2 % reduction *
- Percentage of mental health hospital discharges receiving community / physician follow-up within 30 days of discharge: 3% improvement *
- Riverview replacement units: 93 units *
- Adult mental health service funding per capita

Performance Measures: (continued)

2004/05:

- Acute inpatient utilization for mental illness
- Alternate level of care utilization by mental health and alcohol & drug clients after primary need for inpatient care is completed: 2 % reduction *
- Percentage of mental health hospital discharges receiving community / physician follow-up within 30 days of discharge: 3% improvement *
- Riverview replacement units: 14 units *
- Adult mental health service funding per capita (including capital)

* 2002/03 Performance Agreement, Schedule A performance measure.

(*awaiting clarification of performance indicator re: increased early intervention capacity*)

Goal 1: Health & Wellness	Goal 2: Delivery of Health Services	Goal 3: Infrastructure & Support

Sector: **PUBLIC HEALTH & PREVENTIVE SERVICES**

Strategic Directions:

Focus on clients & patients to balance benefits with cost	Sustainability & accountability	Responsiveness (including access)	System competency	Human Resources (multi-focus approach)	Information (including communication)

Strategies:

- Reconfigure & reduce senior manager positions, support positions and associated non-wage costs
- Move towards equity in staffing distribution through reallocation and differential reduction of staff among the Health Service Areas
- Consolidate decision supports (information, research & evaluation)
- Staffing reductions through attrition (wherever possible), partial vacancy replacements, reduced part time / casual backfill hours

Review feasibility of enhancing screening for children aged 0-5 years & discontinue routine kindergarten school-entry vision / hearing program (decision based on research)

Review contracts & services for efficiencies (tobacco, HIV/AIDS, Addictions)

Implement income-based cost-recovery hearing aid dispensing program for children with hearing impairments (anticipated revenue-neutral)

Realign services from focus on individual care to population health (example pre-school speech language pathology)

Review best practices (ie chronic disease management initiatives for targeted needs, early childhood development, prenatal education & travel health services)

Explore cost recovery for influenzae immunizations for healthy young adults

Implement cost-recovery travel clinics

Medical Health Officers have lead roles in:

- Aboriginal Health
- Communicable disease prevention
- Population Health plus Health Status Report
- Chronic disease prevention
- Injury prevention
- Primary health care
- Addictions Services Review
- Safe Drinking Water Act implementation

Please also refer to strategies for Corporate Services in Table 1.6.1

Performance Measures:
2002/03:

- Population health status measures (e.g. potential years of life lost by cause)
- Aboriginal population health status measures (e.g. infant mortality, life expectancy)
- Incidence rates for food and waterborne illness (hepatitis B, cryptosporidiosis, *E. coli* 0157)
- Childhood Immunization rates (e.g. 2 year old children)
- Influenza vaccination rates among 65+ population
- Participation rates for screening mammography program
- Smoking rate
- Healthy behaviours / conditions (physical activity, healthy body weight)
- List of prioritized core programs for protection and prevention *

2003/04:

- Population health status measures (e.g. potential years of life lost by cause)
- Aboriginal population health status measures (e.g. infant mortality, life expectancy)
- Incidence rates for food and waterborne illness (hepatitis B, cryptosporidiosis, *E. coli* 0157)
- Childhood Immunization rates (e.g. 2 year old children)
- Influenza vaccination rates among 65+ population
- Participation rates for screening mammography program
- Smoking rate
- Five year survival rates for selected diagnoses
- Delivery expectations and performance measures for core protection / prevention programs *

2004/05:

- Population health status measures (e.g. potential years of life lost by cause)
- Aboriginal population health status measures (e.g. infant mortality, life expectancy)
- Incidence rates for food and waterborne illness (hepatitis B, cryptosporidiosis, *E. coli* 0157)
- Childhood Immunization rates (e.g. 2 year old children)
- Influenza vaccination rates among 65+ population
- Participation rates for screening mammography program
- Smoking rate
- Healthy behaviours / conditions (physical activity, healthy body weight)
- Five year survival rates for selected diagnoses
- Implementation of recommended core programs, program recording, reporting and measurement. *

*2002/03 Performance Agreement, Schedule A performance measures.

(awaiting information on proposed performance indicator for cross program diabetes patient costs).

Goal 1: Health & Wellness	Goal 2: Delivery of Health Services	Goal 3: Infrastructure & Support

Sector: **CORPORATE SERVICES**

Strategic Directions:

Focus on clients & patients to balance benefits with cost	Sustainability & accountability	Responsiveness (including access)	System competency	Human Resources (multi-focus approach)	Information (including communication)

Strategies:

Streamline administration and support services while improving service delivery (ie business system implementation, consolidation & standardization of purchase contracts/equipment purchases, and integration of clinical information systems including further roll-out of systems

Reduce, restructure & consolidate non-unionized management/administrative positions

Reduce, restructure, & consolidate clerical positions

Restructure Laundry/Linen Services

Restructure Housekeeping Services

Restructure Plant & Maintenance Services

Restructure Food Services

Implement administrative efficiencies (asset management, lease costs, former Board costs, former administrative costs)

Improve accountability:

- Implement Interior Health Accountability Framework
- Comply with Performance Agreement

Continue to review & implement strategies for human resources (both employees & physicians) (ie rural nurse educators, employee assistance, occupational health & safety initiatives, employee education, attendance management)

Develop Interior Health Quality Framework including risk management & quality assessment activities

Continue to implement consistent utilization review & management processes

Provide health information management for decision support and consistency in information

Participate in provincial initiatives to develop electronic health record

Performance Measures:
2002/03:
- Public satisfaction rate (to be developed)

2003/04:
- Balance combined budgets for 2002/03 and 2003/04.
- Public satisfaction rate (to be developed)

2004/05:
- annual expenditures for support and administrative services (excluding Information Systems): reduce by at least 7 per cent of expenditures incurred in 2001/02. *
- Public satisfaction rate (to be developed)

*2002/03 Performance Agreement.

Goal 1: Health & Wellness	Goal 2: Delivery of Health Services	Goal 3: Infrastructure & Support

Sector: **PRIMARY HEALTH CARE**

Strategic Directions:

Focus on clients & patients to balance benefits with cost	Sustainability & accountability	Responsiveness (including access)	System competency	Human Resources (multi-focus approach)	Information (including communication)

Strategies:

Plan for primary health care services to identify areas to provide expanded services that target specific needs

Collaborate, share & participate in review & development of primary health care initiatives by providing a variety of interdisciplinary perspectives

Continue to develop & implement primary health care practice models (demonstration projects, telecare projects, clinical practice guidelines)

Emphasize health promotion, disease and injury prevention and management of chronic disease

Please also refer to strategies for Corporate Services in Table 1.6.1

Performance Measures:

2002/03:

(to be developed)

2003/04:

(to be developed)

2004/05:

(to be developed)

Health Authority Budget Management Plan Template

Health Authority: Interior Health Authority

Annual Projections - 2001/02 to 2004/05 ($ - millions)

	Annual			
	2001/02 Projection	2002/2003 Projection	2003/04 Projection	2004/05 Projection
Revenue				
RP Grants(AC, CC, AMH, PPH)	807.5	882.9	882.9	882.9
MSP (1 10 15 00)	34.0	34.0	34.0	34.0
Self Pay (1 10 80 00)	30.5	30.5	30.5	30.5
Investments (1 60 00 00)	2.6	2.3	2.2	2.2
All Other revenue	101.6	101.6	101.6	101.6
Total Operating Revenue	**976.2**	**1,051.3**	**1,051.2**	**1,051.2**
Expenditures				
Compensation (All):				
Salaries & Wages	574.4	621.0	643.7	650.3
Employee Benefits	115.7	131.2	138.9	144.2
Vacation Accrual				
S/S Accrual	3.0	3.0	3.0	3.0
Purchased Services-Personnel	1.8	1.8	1.9	1.9
Purchased Services-Physicians (Note 1)	37.5	40.9	44.3	47.7
Sub Total Compensation	732.4	798.0	831.8	847.0
Supplies:				
Drugs	20.4	22.1	23.8	25.4
Food	12.8	12.9	13.1	13.2
Med/Surg or Patient Supplies	31.2	31.5	31.8	32.1
Others	41.6	42.0	42.5	42.9
Sundry	42.5	44.1	42.5	43.8
Equipment Expenses	17.6	17.8	18.0	18.1
Referred Out:				
Residential	42.2	45.1	46.8	47.5
Admin/Support	2.6	2.8	2.9	2.9
Others	24.6	26.3	27.3	27.7
Building & Grounds- Leases				
Interest on Mortgages	2.4	3.4	3.4	3.4
Other	2.7	3.8	4.9	6.0
Total Allocated Expenses	973.0	1,049.9	1,088.7	1,110.0
Unallocated				
2001/02 Issues				
Forecast Actual > Budget	3.3			
Structural deficit Resolved by each HSA		(18.2)	(18.2)	(18.2)
Total 2001/02 Issues	3.3	(18.2)	(18.2)	(18.2)
New Spending				
Related to Exceeding Reduction Targets			13.1	13.1
Less: Increase in Reduction Targets (to balance in year 2)			(3.0)	(3.0)
Related to New Funding		37.8	37.8	37.8
Less: Deferred Spending (New Bed Placement)		(10.0)	(3.3)	-
Total New Spending	-	27.79	44.57	47.87
MoHS Transferred Programs				
Program Expenses Transferred		15.1	15.1	15.1
Salary Cost Pressures		0.1	0.2	0.2
Non-Salary Cost Pressures		0.5	1.0	1.0
Increase in Global Grant/Service Provider Strategies		(0.6)	(1.2)	(1.2)
Total MoHS Transferred Programs	-	15.1	15.1	15.1
Total Unallocated Expenses	3.3	24.7	41.4	44.7
Total Operating Expenditures	**976.3**	**1,074.5**	**1,130.2**	**1,154.7**
Operating Surplus (Deficit) before Restructuring Costs	(0.1)	(23.2)	(79.0)	(103.6)
Restructuring Costs (All)	(17.2)	(27.1)		
Operating Surplus (Deficit)	**(17.3)**	**(50.3)**	**(79.0)**	**(103.6)**
Capital Revenue	25.6	25.6	25.6	25.6
Amortization of Capital	(27.9)	(26.9)	(26.9)	(26.9)
Capital Surplus (Deficit)	**(2.3)**	**(1.3)**	**(1.3)**	**(1.3)**

Consolidated Surplus (Deficit) before Strategies	**(19.7)**	**(51.6)**	**(80.3)**	**(104.9)**
Summary including Strategies				
Operating Revenue	976.2	1,051.3	1,051.2	1,051.2
Revenue Generation Strategies	-	1.2	1.2	1.2
Reduction of CCR Client Contribution	-	(1.1)	(5.1)	(6.4)
Revised Operating Revenue	976.2	1,051.4	1,047.3	1,046.0
Capital Revenue	25.6	25.6	25.6	25.6
Revised Total Revenue	**1,001.8**	**1,077.0**	**1,072.9**	**1,071.6**
Operating Expenses	976.3	1,074.5	1,130.2	1,154.7
Restructuring Costs	17.2	27.1	-	-
Total Strategies		(58.8)	(80.6)	(105.2)
Less: Revenue Impact	-	0.1	(3.9)	(5.2)
Revised Operating Expenses	993.5	1,042.9	1,045.6	1,044.4
Capital Expense	27.9	26.9	26.9	26.9
Revised Total Expenses	**1,021.5**	**1,069.8**	**1,072.5**	**1,071.3**
Revised Consolidated Surplus (Deficit)	**(19.7)**	**7.2**	**0.3**	**0.3**

Health Authority: Interior Health Authority
Service Redesign Strategies - by Geographic Area ($ - millions)

	Okanagan	Thompson/ Cariboo/ Chilcotin	Kootenay/ Boundary	East Kootenay	Public Health	Corporate	Total
2001/02 Projected Expenditures	444.86	202.98	122.69	97.47	30.78	72.04	970.82
20001/02 Projected Net Loss							**(20.23)**
One-Time 2001/02 Global Grant							20.10
Impact of Capital							(2.34)
Restructuring Costs							(17.20)
Revised 2001/02 Projected Net Loss							**(19.67)**
Deduct One-Time Items							
Deduct: One-Time 2001/02 Global Grant							(20.10)
Deduct: One-Time Restructuring Costs							17.20
Deduct: One-Time Negative Budget Variance							4.34
Add: 2001/02 Structural Deficit Resolved							18.23
2001/02 Structural Deficit							-

							Annualized		2002/03		2003/04		2004/05	
							$	FTE's	$	FTE's	$	FTE's	$	FTE's
Projected Deficit Prior to Service Redesign Strategies									(51.57)		(80.26)		(104.85)	
Service Redesign Strategies														
Revenue Generation	0.71	0.40			0.01		1.12	-	1.12	-	1.12	-	1.12	-
Admin & Support Efficiencies (non-clinical)														
1. Original Strategies	-	0.57	-	-	-	7.48	8.05	135.97	8.05	135.97	8.05	135.97	8.05	135.97
2. 5% Challenge to Support Services	1.69	0.22	0.96	0.53			3.41	-	-	-	3.41	-	3.41	-
Best Practices (clinical)														
1. Alternative to Acute Care		0.04					0.04	-	0.04	-	0.04	-	0.04	-
2. Home Support	1.25	2.02	2.89	1.47			7.62	115.70	7.62	115.70	7.62	115.70	7.62	115.70
3. Mental Health	1.52		0.34	0.27			2.13	23.49	2.13	23.49	2.13	23.49	2.13	23.49
4. Other Strategies	6.57	3.84	-	1.00	0.45		11.86	127.40	11.86	127.40	11.86	127.40	11.86	127.40
Program Adjustments / Closures														
1. Facility / bed conversions	2.85	3.63	6.70	3.50			16.68	354.20	2.84	60.21	13.38	284.07	16.68	354.20
2. Program Reduction (acute)	5.61	6.37	8.69	3.74			24.39	311.81	18.29	233.86	24.39	311.81	24.39	311.81
3. Program Reduction (non-acute)	0.13	0.26			0.72		1.11	14.68	1.11	14.68	1.11	14.68	1.11	14.68
4. Program Closures (acute)	2.03	0.67		4.17			6.87	122.74	5.16	92.06	6.87	122.74	6.87	122.74
5. Program Closures (non-acute)	0.23	0.33			0.04		0.60	0.50	0.60	0.50	0.60	0.50	0.60	0.50
6. P3 Strategies						21.29	21.29	-	-	-	-	-	21.29	-
Total Service Redesign Strategies	22.58	18.34	19.58	14.68	1.22	28.77	105.17	1,206.49	58.81	803.87	80.58	1,136.36	105.17	1,206.49
Strategies as a % of 2001/02 Expenditures	5.1%	9.0%	16.0%	15.1%	4.0%	39.9%	10.8%		6.1%		8.3%		10.8%	
Revised Projection									7.24		0.32		0.32	

Health Authority: Interior Health
Service Redesign Strategies - by Sector ($ - millions)

	Acute	ContCare Community	ContCare Residential	Mental Health	Public Health	Corp	Total
2001/02 Projected Expenditures	493.99	94.63	217.70	37.12	30.78	96.59	970.82
20001/02 Projected Net Loss							**(20.23)**
One-Time 2001/02 Global Grant							20.10
Impact of Capital							(2.34)
Restructuring Costs							(17.20)
Revised 2001/02 Projected Net Loss							**(19.67)**
Deduct One-Time Items							
Deduct: One-Time 2001/02 Global Grant							(20.10)
Deduct: One-Time Restructuring Costs							17.20
Deduct: One-Time Negative Budget Variance							4.34
Add: 2001/02 Structural Deficit Resolved							18.23
2001/02 Structural Deficit							-

							Annualized		% Realized	2002/03		% Realized	2003/04		2004/05	
							$	FTE's	in 2002/03	$	FTE's	in 2003/04	$	FTE's	$	FTE's
Projected Deficit Prior to Service Redesign Strategies										(51.57)			(80.26)		(104.85)	
Service Redesign Strategies																
Revenue Generation	1.09	0.02	-	-	0.01	-	**1.12**	-	*100.0%*	**1.12**	-	*100%*	**1.12**	-	**1.12**	-
Admin & Support Efficiencies (non-clinical)																
1. Original Strategies						8.05	**8.05**	135.97	*100.0%*	**8.05**	135.97	*100.0%*	**8.05**	135.97	**8.05**	135.97
2. 5% Challenge to Support Services	1.35	-	1.79	-	-	0.27	**3.41**	-	*0.0%*	-	-	*100.0%*	**3.41**	-	**3.41**	-
Best Practices (clinical)																
1. Alternative to Acute Care				0.04			**0.04**	-	*100.0%*	**0.04**	-	*100.0%*	**0.04**	-	**0.04**	-
2. Home Support		7.62					**7.62**	115.70	*100.0%*	**7.62**	115.70	*100.0%*	**7.62**	115.70	**7.62**	115.70
3. Mental Health	0.17			1.96			**2.13**	23.49	*100.0%*	**2.13**	23.49	*100.0%*	**2.13**	23.49	**2.13**	23.49
4. Other Strategies	9.36	1.12	0.53	0.40	0.45		**11.86**	127.40	*100.0%*	**11.86**	127.40	*100.0%*	**11.86**	127.40	**11.86**	127.40
Program Adjustments / Closures																
1. Facility / bed conversions		(8.20)	24.88				**16.68**	354.20	*17.0%*	**2.84**	60.21	*80.2%*	**13.38**	284.07	**16.68**	354.20
2. Program Reduction (acute)	24.39						**24.39**	311.81	*75.0%*	**18.29**	233.86	*100.0%*	**24.39**	311.81	**24.39**	311.81
3. Program Reduction (non-acute)		0.13		0.26	0.72		**1.11**	14.68	*100.0%*	**1.11**	14.68	*100.0%*	**1.11**	14.68	**1.11**	14.68
4. Program Closures (acute)	6.87						**6.87**	122.74	*75.0%*	**5.16**	92.06	*100.0%*	**6.87**	122.74	**6.87**	122.74
5. Program Closures (non-acute)		0.23		0.33	0.04		**0.60**	0.50	*100.0%*	**0.60**	0.50	*100.0%*	**0.60**	0.50	**0.60**	0.50
6. P3 Strategies						21.29	**21.29**	-	*0.0%*	-	-	*0.0%*	-	-	**21.29**	-
Total Service Redesign Strategies	43.23	0.92	27.20	2.99	1.22	29.61	**105.17**	1,206.49		**58.81**	803.87		**80.58**	1,136.36	**105.17**	1,206.49
Strategies as a % of 2001/02 Expenditures	8.8%	1.0%	12.5%	8.1%	4.0%	30.7%	10.8%			6.1%			8.3%		10.8%	
Revised Projection										**7.24**			**0.32**		**0.32**	

Health Authority: Interior Health

Cash Flow Projections ($ - millions)

	2002/03	2003/04	2004/05
Opening Cash Balance	110.66	60.41	44.23
Revised Projection	7.24	0.32	0.32
Non Cash Items:			
Sick & Severance Expense	3.00	3.00	3.00
Impact of Capital on Net Income	1.30	1.30	1.30
Restructuring Costs (Accrual)	(27.05)	-	-
Add:			
Restructuring Costs (Cash Flow)			
Severance Payouts	(11.18)	(4.30)	(1.72)
Transition Costs	(17.05)	(10.00)	
Committed Reserves	(1.50)	(1.50)	(1.50)
Debt Repayment	(5.00)	(5.00)	(5.00)
Closing Cash Balance	60.41	44.23	40.63

Health Authority: Interior Health Authority

Equity Projections ($ - millions)

Unrestricted Net Assets - March 31, 2001	(46.16)
2001/02 Revised Projection	(19.67)
Projected Unrestricted Net Assets - March 31, 2002	(65.84)
2002/03 Revised Projection	7.24
Projected Unrestricted Net Assets - March 31, 2003	(58.60)
2003/04 Revised Projection	0.32
Projected Unrestricted Net Assets - March 31, 2004	(58.28)
2004/05 Revised Projection	0.32
Projected Unrestricted Net Assets - March 31, 2005	(57.96)

Health Authority: Interior Health

Balance Sheet Projections ($ - millions)

		March 31, 2002 Projection
ASSETS		
Current:		
Cash and Short Term Investments	$	110.655
Accounts Receivable	$	26.466
Inventories	$	9.057
Prepaid Expenses	$	14.037
Other *	$	-
Sub-total Current Assets	$	160.215
Long Term:		
Investments	$	-
Capital Assets, Net	$	509.871
Sub-total Long Term Assets	$	509.871
Total Assets	**$**	**670.086**
LIABILITIES		
Current:		
Accounts Payable and Accrued Liabilities	$	115.876
Deferred Operating Contributions	$	36.793
Deferred Capital Contributions	$	-
Mortgage Payable	$	-
Obligation Under Capital Leases	$	-
Unearned Revenue	$	-
Sub-total Current Liabilities	$	152.669
Long Term:		
Mortgage Payable	$	-
Obligation Under Capital Leases	$	-
Deferred Operating Contributions	$	-
Deferred Capital Contributions	$	457.466
Sick and Severance	$	56.445
Unearned Revenue	$	-
Other **	$	35.095
Sub-total Long Term Liabilities	$	549.006
Total Liabilities	**$**	**701.675**
NET ASSETS		
Invested in Capital Assets	$	31.360
Unrestricted	$	(73.882)
Internally Restricted	$	8.045
Externally Restricted	$	2.888
Total Net Assets	**$**	**(31.589)**
Total Liabilities + Net Assets	**$**	**670.086**

* Other current assets includes interfund balances
** Other long term liabilities includes long term borrowing

SCHEDULE A - Capital Improvement Projects (CIP) - Capital Budget

INTERIOR HEALTH AUTHORITY

MHS will fund debt service and amortization costs. (Funding is protected After March 31, 2002 Based upon COA Date)

Facility	Health Service Delivery Area	Approved to proceed Yes/No	Project Location	Project Name	Total Project Cost	MHS Share	RHD Share	Status
Revised: Feb. 19/02								
Cranbrook Regional Hospital	EK	1	Cranbrook	Remediation Steepleview ECU	352,403	60%	40%	**Substantially complete**
Durand Manor, Henry M	EK	2	Golden	Activity Room/ Walkway	408,853	100%	0%	**Substantially complete**
Golden and District General		**95% COMPLETE**	Golden	Upgrade Roofing/ Windows	400,000	60%	40%	**Substantially complete**
Golden and District General	EK	**95% COMPLETE**	Golden	Major Upgrading	3,162,456	60%		**Substantially complete**
Rocky Mt. Lodge	EK	**COMPLETE**	Cranbrook	Remediation Licence and Code U/G	1,061,715	100%	0%	**Complete**
Tom Uphill Memorial Home	EK	Proceeding with no scope change	Fernie	HVAC for Complex Building	439,675	100%	0%	Recently awarded - under construction
				TOTAL - EAST KOOTENAY	**5,825,302**			
Castlegar and District Hospital	KB	**95% COMPLETE**	Castlegar	Auto Fire Protection Sprinkler u/g	337,640	60%	40%	**Substantially complete**
Kootenay Lake District Hospital	KB	**COMPLETE**	Nelson	Laundry Hot Water Tank Replacement	176,704	60%	40%	**Complete**
Kootenay Lake District Hospital	KB	**COMPLETE**	Nelson	Electrical/ Heating Upgrade	1,489,622	60%	40%	**Complete**
Kootenay Lake District Hospital	KB	Proceeding with no scope change	Nelson	Medical Gas Upgrade	1,195,479	60%	40%	Under construction
Kootenay Lake District Hospital	KB	**95% COMPLETE**	Nelson	Laboratory Renovation	310,201	60%	40%	**Substantially complete**
Slocan Community Hospital and Health Care Centre	KB	**COMPLETE**	New Denver	Siding replacement	150,000	100%	0%	**Complete**
Slocan Community Hospital and Health Care Centre	KB	**PENDING ROLE REVIEW**	New Denver	Renovation/ Relocation Eng. Service	390,000	60%	40%	**Working Drawings-On Hold**
Trail Regional Hospital	KB	Proceeding with no scope change	Trail	Ambulatory Care Unit	5,776,739	60%	40%	Under construction
Trail Regional Hospital	KB	Proceeding with no scope change	Trail	Power Plant Upgrade - Phase II	921,010	60%	40%	Under construction
Trail Regional Hospital	KB	**COMPLETE**	Trail	Power Plant Upgrade, Phase I	1,200,000	60%	40%	**Complete**
				TOTAL - KOOTENAY/BOUNDARY	**11,947,395**			
Kelowna General Hospital	OK	**95% COMPLETE**	Kelowna	Replacement of 250 lb washer	124,919	60%	40%	**Substantially complete**
Penticton Regional Hospital	OK	**95% COMPLETE**	Penticton	Replacement of 400 lb washer	184,784	60%	40%	**Substantially complete**
Penticton Regional Hospital	OK	**95% COMPLETE**	Penticton	CSR Cart Washers	378,451	60%	40%	**Substantially complete**
The Gateby	OK	Proceeding with no scope change	Vernon	Install/Upgrade Air Conditioning	630,160	100%	0%	Under construction
Vernon Jubilee Hospital	OK	**COMPLETE**	Vernon	Phase 2 Polson	1,160,000	60%	40%	**Complete**
				TOTAL - OKANAGAN	**2,478,319**			

SCHEDULE A - Capital Improvement Projects (CIP) - Capital Budget

INTERIOR HEALTH AUTHORITY

MHS will fund debt service and amortization costs. (Funding is protected After March 31, 2002 Based upon COA Date)

Facility	Health Service Delivery Area	Approved to proceed Yes/No	Project Location	Project Name	Total Project Cost	MHS Share	RHD Share	Status
Bella Coola Health Care Ctr	TC	APRIL 1/02 TRANSFERRED TO VANCOUVER COASTAL AUTHORITY	Bella Coola	Completion of Phase 1 Facility Upgrade Prop	1,060,294	100%	0%	Under construction
Overlander ECU	TC	COMPLETE	Kamloops	Exterior Cladding Renovations	130,000	60%	40%	Complete
Overlander ECU	TC	PROJECT NOT PROCEEDING	Kamloops	Upgrade Laundry Services	350,000	60%	40%	Laundry Services is currently under review in the Thompson HSDA
Royal Inland Hospital	TC	Proceeding with no scope change	Kamloops	Electrical System Upgrade - required to support this new Parkade due to TOKO	1,200,000	60%	40%	Working drawings - $618,000 Already spent on Generators
				TOTAL - THOMPSON/CARIBOO	2,740,294			
				GRAND TOTAL	22,991,310			

SCHEDULE B - Legally Committed Projects (Program Related)
INTERIOR HEALTH AUTHORITY
MHS will fund debt service and amortization costs. HA's must fund operating costs

Facility/Site	Health Service Delivery Area	Approved to proceed Yes/No	Project Location	Project Name	Total Project Cost	MHS Share	RDH Share	Status	Estimated Start up & One time costs	Estimated Total Unfunded Additional Operating Costs	Comments
Dr. Helmcken Memorial Hospital	TC	COMPLETED TO OPEN MAY 1/02	Clearwater	Ambulance Station Replacement	476,150	100%	0%	Complete	0	NO IMPACT	Reimbursed by Ambulance Service. We own the Bldg lease to BCBC who in turn sub lease to Amb. Serv. All costs are captured in the lease.
Dr. Helmcken Memorial Hospital	TC	COMPLETED TO OPEN MAY 1/02 - Additional beds will open when funding becomes available.	Clearwater	New Health Care Centre and ML Beds	6,718,307	60%	40%	Complete	25,000	1,300,000	
Creston Valley Hospital	EK	COMPLETE	Creston	Redevelopment-Phase 2 (Emergency)	881,002	60%	40%	Complete	0	NO IMPACT	
Kelowna General Hospital	OK	1	Kelowna	Add One Operating Room	700,000	60%	40%	Complete	0	Will not open	
Kelowna General Hospital	OK	2	Kelowna	MRI Building Addition	1,466,464	60%	40%	Complete	0	Will operate within existing operating budget for MRI.	
Trail Crisis Facility		95% COMPLETE	Trail	Trail Crisis Facility - Harbour House	641,605	100%	0%	Complete	0	NO IMPACT	Will operate within existing budget. Landscaping still to be done.
					10,883,528				0	0	
"Substantially Complete" projects listed above still have payment issues outstanding											

SCHEDULE C - Provincial Priority Projects in Planning

INTERIOR HEALTH AUTHORITY

MHS will fund debt service and amortization costs. HA's must fund operating costs

Facility	Health Service Delivery Area	Interior Health Priority	Approved to proceed Yes/No	Project Location	Project Name	Total Project Cost	MHS Share	RHD Share	Status	Estimated Start up & One Time	Estimated Total Unfunded Additional Operating Costs	Comments
Royal Inland Hospital	TC	1	Proceeding with scope change. Part of 2nd Floor Redevelopment	Kamloops	MRI Site Preparation	268,415	60%	40%	Working Drawings	0	600,000	Part of Second Floor Redevelopment Project
Royal Inland Hospital	TC	2	Proceeding with no scope change - SUBJECT TO PER DIEM RATE AND # OF PATIENT TRANSFERS	Kamloops	Riverview Replacement / Tertiary Completion	20,000,000	100%	0%	Design	0	11,697,998	TO BE FUNDED THROUGH THE RIVERVIEW TRANSFER AGREEMENT $7.3m - 44 Bed $4.3m - 2x20 Bed $1.6M has been spent YTD on Planning
Nicola Valley Gen	TC		Proceeding with no scope change	Merritt	Replacement BC Ambulance Station	476,150	100%	0%	Design	0	NO IMPACT	Reimbursed by Ambulance Service. We own the building lease to BCBC who in turn sub lease to Amb. Serv. All costs are captured in the lease.
Lytton Health & Wellness Center	TC		Proceeding with no scope change	Lytton	Replacement BC Ambulance Station	400,000	100%	0%	Design	0	NO IMPACT	Part of new Health and Wellness Center Project
Cranbrook Regional Hospital	EK		Proceeding with no scope change	Cranbrook	CSR Renovations	1,888,799		40%	Design	0	NO IMPACT	0
Cranbrook Regional Hospital	EK		Proceeding with no scope change	Cranbrook	Emergent Remediation of Electrical/Emergency Power and Medical Gas Suction Systems	1,160,512	60%	40%	Design	0	NO IMPACT	Emergency approval - currently being reviewed by CPFD
Subtotal						**24,193,875**				-	**12,297,998**	
PROVINCIAL HEALTH SERVICES AUTHORITY												
Creston Valley Hospital (for renal Program)	EK/KB		Proceeding with no scope change	Creston	Renal Dialysis Unit - Creston,B.C. (Relocation)	260,977	100%	0%	Part B Received	0	NO IMPACT	
Royal Inland Hospital	TC		TCC To review and advise	Kamloops	Expansion of 3 Renal Stations	-	60%	40%	Cancelled by HA	0	TBD	
Kelowna General Hospital	OK		Proceeding with no scope change - increase operating $ to be determined	Kelowna	Expansion of Renal Services	756,413	60%	40%	Part B Received	0	340,245	Operating funds source undetermined
Penticton Regional Hospital	OK		Proceeding with no scope change - increase operating $ to be determined	Penticton	Penticton Regional Hospital, Expansion of Renal Services	1,112,969	60%	40%	Part B Received	0	340,990	
Subtotal						**2,153,364**				**0**	**681,235**	
Grand total all projects						**26,347,239**					**12,979,233**	

SCHEDULE D - Approved projects in Planning Stage
INTERIOR HEALTH AUTHORITY
HA's must fund all debt service, amortization and operating costs

Facility	Health Service Delivery Area	Interior Health Priority	Project Location	Project Name	Approved to Proceed Yes/No	Total Project Cost	MHS Share	RHD Share	FDN Share	Funding Source (Restructuring fund, CIP fund, etc)	Status	First Full Year Debt Service Costs 6.3%	First Full Year Amortization Costs 3.8%	EstimatedTotal One Time/ Start Up Costs	Estimated Total Unfunded Additional Operating Costs	Comments
Royal Inland Hospital	TC	3	Kamloops	Second Floor Redevelopment	Proceeding to planning stage only with scope changes	14,000,000	0%	40%	$3M Equipment	Internal Financing	Working drawings	492,500	504,000	75,000	85,000	MRI is part of this project - MRI has been ordered for delivery in 12 months. Operating costs to be confirmed.
Lytton Health & Healing Ctr	TC	2	Lytton	New Health Care & Wellness Center	Proceeding with scope changes	2,000,000	0%	30%		Internal Financing	Planning	126,000	72,000	50,000	200,000	$186,000 has already been spent on this project. RHD has approved their 30% share for this project based on $4.9M. RHB may pull their 30% if not an acute care Bldg
Nelson Health Campus			Nelson	Replacement Facility	CANCEL-Acute Care only. Proceeding with Home & Community Care Component	62,275,000	0%	40%			Pre-design					
				Grand Total		**78,275,000**			-	-	-	**1,008,000**	**576,000**	**125,000**	**285,000**	

SCHEDULE E - Unapproved Projects Proceeding to Part B Business Case (Program Related)

INTERIOR HEALTH AUTHORITY

HA's must fund all debt service, amortization and operating costs

Facility	Health Service Delivery Area	Interior Health Priority	Approved to proceed Yes/No	Project Location	Project Name	MHS Share	RHD Share	FDN Share	Est Total Project Cost	Funding Source (Restructuring fund, CIP fund, etc)	Status	Estimated Additional Operating	First Full Year Debt Service Costs 6.3%	First Full Year Amortization Costs 3.6%	Comments
Cranbrook Regional Hospital	EK	1	Proceeding with scope changes	Cranbrook	Mechanical and Electrical Redevelopment Phase One	0	40		3,786,641	CIP FUND 02-04 RHD - 40%	Part B Received 5,347,516	-	143,143	81,796	Proposed revised Phase 1 based upon priority list. Combined previous Phase 1 & 2 submissions
Golden Health Unit	EK	2	CANCEL	Golden	Golden Wellness Centre	100	0		1,220,829		Part B Received	-	-	-	
Invermere and District Hospital, Columbia House			CANCEL	Invermere	Columbia House Health Centre	100	0		4,915,219		Approved in Principle by Treasury Board	-	-	-	
												-	-	-	
Kelowna General Hospital	OK		Proceeding to complete Part B Study	Kelowna	Enhanced Surgical Services Program	0	40		40,000,000		Awaiting Part B	25,000,000	-	-	
North Okanagan Health Region	OK		CANCEL	North Okanagan HR	Regional Laundry	60	40		1,000,000		Awaiting Part B	-	-	-	Laundry Services to be reviewed and consolidated in the OHSDA
Summerland General Hospital	OK		CANCEL	Summerland	Ambulatory/Emergency and day surgery	60	40		1,437,416		Awaiting Part B	-	-	-	
												-	-	-	
100 MILE D.G. HOSPITAL	TC		Proceeding to Planning Stage	100 MILE HOUSE	Emergency and Outpatient Department Upgrade	0	40		7,733,000		Part B Received	-	487,179	278,368	Equipment value $695,000 Project includes an outpatient dialysis unit
Cariboo Region	TC		Pending Program Review	Williams Lake	Regional Inpatient Psychiatric Unit & Community Mental Health	60	40		1,000,000		Awaiting Part B	-	63,000	36,000	
					GRAND TOTAL:				**61,093,305**		**0**	**25,000,000**	**693,322**	**396,164**	

INTERIOR HEALTH AUTHORITY

Priortized List

HA's must fund all debt service, amortization and operating costs

Facility	Health Service Delivery Area	Interior Health Priority	Project Location	Project Name	Approved to Proceed Yes/No	Total Project Cost	Funding Source (Restructuring fund, CIP fund, etc)	MHS Share	RHD Share	FDN Share	Status	First Full Year Debt Service Costs 6.3%	First Full Year Amortization Costs 3.6%	EstimatedTotal One Time/ Start Up Costs	Estimated Total Unfunded Additional Operating Costs	Comments
Cranbrook Regional Hospital	EK	1	Cranbrook	Mechanical & Electrical Redevelopment Phase One/Two Combined	Proceeding with scope changes	3,786,841	CIP FUND 02-04 RHD-40%	0%	40%	0%	Part B Received	143,143	61,756		NO IMPACT	Revised Phase 1 based upon proposed priority list. Combined previous Phase 1 & 2 submissions. RHD will be approached to fund $1,514,736 (40%)
Lytton Health & Healing Ctr	TC	2	Lytton	New Health Care & Wellness Center	Proceeding with scope changes	2,000,000	INTERNAL FINANCING	0%	30%	0%	Planning	126,000	72,000	50,000	200,000	$586,000 has already been spent on this project. Possible issue with RHD if not acute care may pull their 30%
Royal Inland Hospital	TC	3	Kamloops	Second Floor Redevelopment	Proceeding	14,000,000	INTERNAL FINANCING	0%	40%	$3M	Planning	882,000	504,000	75,000	85,000	MRI is part of this project. Operating costs to be confirmed.
						-										
				Grand Total		19,786,841	-					1,151,143	657,796	125,000	285,000	

APPENDIX J

Summary by Health Service Area:

. Acute Care

APPENDIX J

Table J-1: Proposed Classifications & Changes to Acute Care Centres East Kootenay Health Service Area

Acute Care Facility / D&T Name	Proposed Classification	Acute Care Beds January 2002	Acute Care Beds July 2002	Total Beds Reduced	Total % bed Reduced	Reinvest
Elkford D & T (Elkford)	Outpatient Hospital / Community Health Centre (with urgent care)	0	0	0	-	
Sparwood General (Sparwood)	Outpatient Hospital / Community Health Centre (with urgent care & day renal dialysis)	12	0	12	100%	
Kimberley & District (Kimberley)	Close the building; Discontinue acute care services and redirect patients to Cranbrook; Discontinue extended care services and relocate residents to appropriate setting; Co-locate Community Services together at another site in Kimberley	24	0	24	100%	
Fernie District (Fernie)	Community Hospital Level 1 (with obstetrics)	32	20	12	37.5%	
Invermere & District (Invermere)	Community Hospital Level 1 (with low risk obstetrics)	15	8	7	46.7%	
Creston Valley (Creston)	Community Hospital Level 1 (with obstetrics)	21	16	5	23.8%	
Golden & District (Golden)	Community Hospital Level 1 (with obstetrics)	15	8	7	46.7%	
Cranbrook Regional (Cranbrook)	Service Area Hospital	76	60	16	21.1%	
East Kootenay Health Service Area Summary (Totals)		**195 beds** January 2002	**112 beds** July 2002	**83 beds** (# reduced)	**42.6%** (% reduced)	**$691,607** plus seasonal & repatriation $

Reinvestment Back Into East Kootenay Health Service Area		Notes	
Prevent Acute Care Admissions	$ 479,107	Specific procedures	$691,607
Patient Advocates	62,500		
Rural Nurse Educators Health	150,000		
Seasonal Pressures	1,000,000 (a portion of this)	Allocation within Interior Health Service Areas to be determined	
Repatriation Transition Fund	2,300,000 (a portion of this)	Transition fund for East Kootenay & Kootenay Boundary Service Areas to repatriate Acute Care from outside the Kootenays	

Table J-2: Proposed Classifications & Changes to Acute Care Centres Kootenay Boundary Health Service Area

Acute Care Facility / D&T Name	Proposed Classification	Acute Care Beds January 2002	Acute Care Beds July 2002	Total Beds Reduced	Total % bed Reduced	Reinvest
Victorian Hospital of Kaslo (Kaslo)	Outpatient Hospital / Community Health Centre (with urgent care)	5	0	5	100%	
Castlegar & District (Castlegar)	Outpatient Hospital / Community Health Centre (with urgent care)	30	0	30	100%	
Slocan Community (New Denver)	Outpatient Hospital / Community Health Centre (with no urgent care)	5	0	5	100%	
Arrow Lakes (Nakusp)	Community Hospital Level 1 (may offer obstetrics as per Maternal/Child committee recommendations)	13	6	7	53.8%	
Boundary (Grand Forks)	Community Hospital Level 1 (with obstetrics)	24	12	12	50%	
Kootenay Lake District (Nelson)	Community Hospital Level 1 (with obstetrics)	45	30	15	33.4%	
Trail Regional (Trail)	Service Area Hospital	85	75	10	11.8%	
Kootenay Boundary Health Service Area Summary (Totals)		**207 beds** January 2002	**123 beds** July 2002	**84 beds** (# reduced)	**40.6%** (% reduced)	**$713,563** plus seasonal & repatriation $

Reinvestment Back Into Kootenay Boundary Health Service Area		Notes
Prevent Acute Care Admissions	$ 501,063	Specific procedures
Patient Advocates	62,500	$713,563
Rural Nurse Educators Health	150,000	
Seasonal Pressures	1,000,000 (a portion of this)	Allocation within Interior Health Service Areas to be determined
Repatriation Transition Fund	2,300,000 (a portion of this)	Transition fund for East Kootenay & Kootenay Boundary Service Areas to repatriate Acute Care from outside the Kootenays

Table J-3: Proposed Classifications & Changes to Acute Care Centres Okanagan Health Service Area

Acute Care Facility / D&T Name	Proposed Classification	Acute Care Beds January 2002	Acute Care Beds July 2002	Total Beds Reduced	Total % bed Reduced	Reinvest
South Similkameen Health Centre (Keremeos)	Outpatient Hospital / Community Health Centre (with urgent care)	0	0	0	-	
Pleasant Valley Health Centre (Armstrong)	Ophthamology (Eye) Centre (no day surgery & no urgent care)	0	0	0	-	
Summerland General (Summerland)	Day Surgery Centre (no urgent care); Examine ways to co-locate community services together	15	0	15	100%	
Enderby & District Memorial (Enderby)	Discontinue Acute Care services within the building; redirect patients to Vernon Jubilee (Vernon) & Shuswap Lake (Salmon Arm) Examine ways to co-locate community services together	13	0	13	100%	
South Okanagan General (Oliver)	Community Hospital Level 1 (no obstetrics)	28	18	10	35.8%	
Princeton General (Princeton)	Community Hospital Level 1 (with low risk obstetrics & no surgery) Examine ways to co-locate community services together	10	6	4	40%	
Queen Victoria (Revelstoke)	Community Hospital Level 1 (with obstetrics)	21	10	11	52.4%	
Vernon Jubilee (Vernon)	Service Area Hospital	146	125	21	14.4%	
Shuswap Lake General (Salmon Arm)	Community Hospital Level 2	49	40	9	18.4%	
Penticton Regional (Penticton)	Service Area Hospital	127	134	-7	-5.5%	
Kelowna General (Kelowna)	Interior Health Tertiary Referral Hospital	328	317	11	3.4%	
Okanagan Health Service Area Summary (Totals)		**737 beds** January 2002	**650 beds** July 2002	**87 beds** (# reduced)	**11.8%** (% reduced)	**$1.5 Million** plus tertiary & seasonal $

Reinvestment Back Into Okanagan Health Service Area		Notes	
MRI	$ 478,094	Magnetic Resonance Imaging Equipment	$1.5 Million
Prevent Acute Care Admissions	$ 907,630	Specific procedures	
Patient Advocates	62,500		
Rural Nurse Educators Health	100,000		
Seasonal Pressures	1,000,000 (a portion of this)	Allocation within Interior Health Service Areas to be determined	
Tertiary Services	2,500,000 (a portion of this)	Allocation into Okanagan & Thompson Cariboo Health Service Areas to be determined	

Table J-4: Proposed Classifications & Changes to Acute Care Centres Thompson Cariboo Health Service Area

Acute Care Facility / D&T Name	Proposed Classification	Acute Care Beds January 2002	Acute Care Beds July 2002	Total Beds Reduced	Total % bed Reduced	Reinvest
St. Bartholomew's (Lytton)	Outpatient Hospital/ Community Health Centre (with urgent care)	4	0	4	100%	
Chase Health Centre (Chase)	Outpatient Hospital/ Community Health Centre (with urgent care)	0	0	0	-	
Barriere Health Centre (Barriere)	Outpatient Hospital/ Community Health Centre (with urgent care)	0	0	0	-	
Logan Lake Health Centre (Logan Lake)	Outpatient Hospital/ Community Health Centre (with urgent care)	0	0	0	-	
Ashcroft & District (Ashcroft)	Outpatient Hospital/ Community Health Centre (with urgent care)	9	0	9	100%	
Dr. Helmcken Memorial (Clearwater)	Community Hospital Level 1 (may offer low risk obstetrics)	10	6	4	40%	
Lillooet District (Lillooet)	Community Hospital Level 1 (with obstetrics)	17	6	11	64.7%	
100 Mile District General (100 Mile House)	Community Hospital Level 1 (with obstetrics)	27	16	11	40.7%	
Nicola Valley General (Merritt)	Community Hospital Level 1 (no obstetrics)	15	8	7	46.7%	
Cariboo Memorial (Williams Lake)	Community Hospital Level 2	32	32	0	0%	
Royal Inland (Kamloops)	Interior Health Tertiary Referral Hospital	260	225	35	13.5%	
Thompson Cariboo Health Service Area Summary (Totals)		**374 beds** January 2002	**293 beds** July 2002	**81 beds** (# reduced)	**21.7%** (% reduced)	**$1.4 million** plus tertiary & seasonal $

Reinvestment Back Into Thompson Cariboo Health Service Area		Notes	
MRI	$ 521,906	Magnetic Resonance Imaging Equipment	$1.4 Million
Prevent Acute Care Admissions	612,200	Specific procedures	
Patient Advocates	62,500		
Rural Nurse Educators Health	200,000		
Seasonal Pressures	1,000,000 (a portion of this)	Allocation within Interior Health Service Areas to be determined	
Tertiary Services	2,500,000 (a portion of this)	Allocation into Okanagan & Thompson Cariboo Health Service Areas to be determined	

APPENDIX K

Summary by Health Service Area:

. Residential Care

APPENDIX K

Table K-1: Residential Care Bed Plan in East Kootenay Service Area:

Facility Name	Priority for new develop-ments	Current LTC Beds (February 2002)	Revised LTC Beds (by Nov.2004) before any new development	LTC Beds AFTER Projects / New Facilities (# MAY CHANGE)	Assisted Living Units (to be allocated)	Reinvest Into Community Programs (to be allocated)
FERNIE LHA*						
Fernie District Hospital (Fernie)		8	8	0		
Tom Uphill (Fernie)		50	50	0		
Proposed New Facility	#1			50		
CRANBROOK LHA*						
Steepleview Care Centre (Cranbrook) (attached to Cranbrook Regional Hospital)		44	44	44		
Dr Green Home (Cranbrook)		58	58	58		
Rocky Mountain Lodge (Cranbrook)		60	0	0		
AQ'am Care Centre (AQ'am) (Private)		5	5	5		
KIMBERLEY LHA*						
Kimberley & District Hospital (Kimberley)		18	0	0		
Kimberley Special Care Home (Kimberley)		51	51	51		
WINDERMERE LHA*						
Invermere & District Hospital (Invermere)		5	14	14		
Columbia House (Windermere)		15	15	15		
CRESTON LHA*						
Creston Valley Hospital (Creston)		20	20	20		
Pioneer Villa (Creston)		50	0	0		
Swan Valley Lodge (Creston)		103	103	103		
GOLDEN LHA*						
Golden & District Hospital (Golden)		7	0	0		
Henry Durand Manor (Golden)		30	26	26		
East Kootenay Service Area Summary (Totals)		**524**	**394**	**386**	**74**	**$387,000**

*Local Health Area

Table K-2: Residential Care Bed Plan in Kootenay Boundary Service Area:

Facility Name	Priority for new develop-ments	Current LTC Beds (February 2002)	Revised LTC Beds (by Nov.2004) before any new development	LTC Beds AFTER Projects / New Facilities (# MAY CHANGE)	Assisted Living Units (to be allocated)	Reinvest Into Community Programs (to be allocated)
ARROW LAKES LHA*						
Arrow Lakes Hospital (Nakusp)		4	4	4		
Slocan Community Hospital and Health Centre (New Denver)		5	0	0		
Slocan Community Hospital and Health Centre Pavilion Wing (New Denver)		30	30	30		
Halcyon Home (Nakusp)		27	0	0		
GRAND FORKS LHA*						
Boundary Hospital (Grand Forks)		35	35	35		
Boundary Lodge (Grand Forks)		29	0	0		
Hardy View (Grand Forks)		32	32	32		
CASTLEGAR LHA*						
Talarico Place (attached to Castlegar & District Regional Hospital)		35	35	35		
Talarico Place Extended Care (attached to Castlegar & District Regional Hospital)		25	25	25		
Castleview Care Centre (Castlegar) (Private)		45	45	45		
KOOTENAY LAKE LHA*						
Victorian Hospital of Kaslo (Kaslo)		15	20	20		
NELSON LHA*						
Jubilee Manor (Nelson)		32	32	32		
Mount St. Francis (Nelson)	#1	79	79	0		
Willowhaven (Nelson) (Private)		70	0	0		
Proposed New Facility (Nelson)	#1	0	0	85		
TRAIL LHA*						
Poplar Ridge Pavillion (Trail) (attached to Trail Regional Hospital)		50	50	50		
Columbia View Lodge (Trail)		99	99	80		
Kiro Manor (Trail)		86	0	0		
Mater Misericordiae (Rossland)		41	41	0		
Proposed New Facility		0	0	30		
Kootenay Boundary Service Area Summary (Totals)		**739**	**527**	**503**	**86**	**$453,000**

*Local Health Area

Table K-3 Residential Care Bed Plan in Okanagan Service Area:

Facility Name	Priority for new developments	Current LTC Beds (February 2002)	Revised LTC Beds (by Nov.2004) before any new development	LTC Beds AFTER Projects / New Facilities (# MAY CHANGE)	Assisted Living Units (to be allocated)	Reinvest Into Community Programs (to be allocated)
SOUTHERN OKANAGAN LHA*						
Transitional Beds (Oliver) (attached to South Okanagan General Hospital)		10	4	4		
McKinnley Extended Care (Oliver) (attached to South Okanagan General Hospital)		75	75	75		
Sagebrush Lodge (Osoyoos)		52	51	51		
Sunnybank Centre (Oliver)		51	52	52		
Country Squire (Osoyoos) (Private)		8	8	8		
PENTICTON LHA*						
Westview Extended Care (attached to Penticton Regional Hospital)		130	130	100		
Haven Hill Retirement Centre (Penticton) (Private)		82	82	82		
Moog & Friends Hospice (Penticton)		8	8	8		
Penticton & District Care Unit (Penticton)		100	52	0		
Trinity Care Centre		76	76	76		
Hastings Avenue New Facility (Penticton)	#1	0	0	100		
KEREMEOS LHA*						
South Similkameen Health Centre (Keremeos)		25	25	25		
PRINCETON LHA*						
Ridgewood Lodge (Princeton) (attached to Princeton General Hospital)		36	36	36		
CENTRAL OKANAGAN LHA*						
Kelowna General Hospital LTC beds(Kelowna) (attached to Kelowna General Hospital)		2	2	2		
Brookhaven Care Centre (Kelowna)		104	104	104		
Cottonwoods Extended Care (Kelowna)		276	276	276		
David Lloyd Jones (Kelowna)		78	58	58		
Joseph Benjamin (Kelowna) (Private)		38	0	0		
Pine Acres (Kelowna) (Private)		40	40	40		
Pleasant Meadows (Lake Country) (Private)		32	32	32		
Still Waters (Kelowna) (Private)		79	79	79		
Sun Pointe (Kelowna) (Private)		100	100	100		
Sutherland Hills (Kelowna) (Private)		88	88	88		
Three Links Manor (Kelowna)		81	81	81		
Westside Care Centre (Westbank) (Private)		77	77	77		
Windsor Manor (Kelowna) (Private)		82	82	82		

*Local Health Area

Table K-3 Continued next page . . .

Table K-3 Residential Care Bed Plan in Okanagan Service Area (continued)

Facility Name	Priority for new develop-ments	Current LTC Beds (February 2002)	Revised LTC Beds (by Nov.2004) before any new development	LTC Beds AFTER Projects / New Facilities (# MAY CHANGE)	Assisted Living Units (to be allocated)	Reinvest Into Community Programs (to be allocated)
SUMMERLAND LHA*						
Summerland Extended Care (attached to Summerland General Hospital)		50	50	50		
Kelly Care Centre (Summerland)		79	79	0		
Summerland Lodge (Summerland) (Private)		35	35	0		
Proposed New Facility	#2	0	0	75		
REVELSTOKE LHA*						
Mt. Cartier Court (Revelstoke) (attached to Queen Victoria Hospital)		28	28	28		
Moberly Manor (Revelstoke)		21	0	0		
SALMON ARM LHA*						
Shuswap Lake General Hospital (Salmon Arm)		5	5	5		
Fountain View (Salmon Arm) (attached to Shuswap Lake General Hospital)		26	26	0		
Bastion Place (Salmon Arm)		101	101	101		
Pioneer Lodge (Salmon Arm)		75	75	0		
Proposed New Facility	#3	0	0	75		
ARMSTRONG-SPALLUMCHEEN LHA*						
Pleasant Valley Health Centre (Armstrong)		40	40	40		
Willowdale (Armstrong) (Private)		30	0	0		
VERNON LHA*						
Alexander Wing (attached to Vernon Jubilee Hospital)		66	54	0		
Polson (attached to Vernon Jubilee Hospital)		121	121	121		
Bethany Home (Vernon) (Private)		37	0	0		
Noric House (Vernon)		91	85	85		
The Gateby (Vernon)		100	100	0		
Proposed New Facility(ies) for Armstrong/ Enderby/Vernon area – community location(s) yet to be determined	#4	0	0	125		
ENDERBY LHA*						
Juniper Court (attached to Enderby & District Memorial Hospital)		16	0	0		
Parkview Place (Enderby)		31	31	31		
Okanagan Service Area Summary (Totals)		**2682**	**2448**	**2372**	**418**	**$2,200,000**

*Local Health Area

Table K-4 Residential Care Bed Plan in Thompson Cariboo Service Area:

Facility Name	Priority for new develop-ments	Current LTC Beds (February 2002)	Revised LTC Beds (by Nov.2004) before any new development	LTC Beds AFTER Projects / New Facilities (# MAY CHANGE)	Assisted Living Units (to be allocated)	Reinvest Into Community Programs (to be allocated)
KAMLOOPS LHA*						
Royal Inland Hospital (Kamloops)		25	0	0		
Overlander (Kamloops)		200	200	200		
Ponderosa (Kamloops)		192	128	0		
Pine Grove Lodge (Kamloops) (Private)		75	75	75		
Proposed New Facility	#1	0	0	89 (5 hospice beds)		
NORTH THOMPSON LHA*						
Dr. Helmcken Memorial Hospital (Clearwater)		0	0	21		
LILLOOET LHA*						
Lillooet District Hospital (Lillooet)						
Mountainview Lodge (Lillooet)		22	22	22		
SOUTH CARIBOO LHA*						
Ashcroft & District General Hospital (Ashcroft)		14	24	24		
St. Bartholomew's Hospital (Lytton)		10	0	0		
100 MILE HOUSE LHA*						
Fisher Place		39	39	39		
Mill Site Lodge		26	26	26		
MERRITT LHA*						
Coquihalla (Merritt)		30	30	30		
Gillis House (Merritt)		25	25	25		
CARIBOO CHILCOTIN LHA*						
Cariboo Lodge/Heritage House (Williams Lake)		67	34	0		
Deni House (Williams Lake)		38	38	0		
Proposed New Facility		0	0	65		
Thompson Cariboo Service Area Summary (Totals)		**763**	**641**	**622**	**137**	**$718,000**

*Local Health Area